

Year-End Financial Reports Procedure Manual

Budgetary/Legal Basis

**For the Fiscal Year Ended
June 30, 2013**



Controller *John Chiang*
California State Controller's Office

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Introduction

The *Year-End Financial Reports Procedure Manual* contains general information for the fiscal year ending June 30, 2013, as well as specific details for preparing the reports required by the State Controller's Office (SCO).

This *Manual* consists of the following **nine main** sections:

- ***Important Dates and Filing Instructions:***

- Dates when Controller's documents are available **Updated**
- Due dates for filing the year-end reports **Updated**
- Dates and instructions for reporting revised reports **Updated**
- Mailing addresses that are new for the 2012-13 reporting year **Updated**
- Report Forms Available in EXCEL Format **Updated**

- ***New and Updated Report and Form Requirements*** – This section introduces a new CALSTARS report for encumbrances and provides updated information for existing reports and forms for CALSTARS and Non-CALSTARS departments, as well as other various reminders to help departments successfully meet year-end reporting requirements for both Budgetary/Legal and GAAP Basis reporting for fiscal year ending June 30, 2013:

- CALSTARS Report H14 – Encumbrance Liability Reclassification for SCO **New**
- Report Nos. 7 and 8 – Abnormal Balance(s) Explanations **Updated**
- Report No. 13 – Report of Expenditures for Federal Funds **Updated**
- Report No. 14 – Report of Accounts Outside the State Treasury **Updated**
- Report No. 15 Reconciliation of Agency Accounts with Transactions per State Controller **Updated**
- Report No. 22 – Statement of Contingent Liabilities **Updated**
- Categories 90 and 91
- Categories 94, 95, 96, 98, and 99
- GASB No. 54 Fund Balance Reporting **Updated**

- ***Certification Letter*** – Includes new and updated instructions with sample certification letters:

- CALSTARS reports submitted electronically **Updated**
- CALSTARS and Non-CALSTARS reports submitted manually **Updated**
- Sample Certification Letters **Updated**

- ***Special Reports*** – Includes ***detailed*** instructions, criteria, and samples for the following reports:

- Report No. 14 – Report of Accounts Outside the State Treasury System **Updated**
- Report No. 18 – Statement of Changes in Capital Assets Group of Accounts **Updated**
- Report No. 19 – Statement of Capital Assets Group of Accounts
- Report No. 22 – Statement of Contingent Liabilities **New Decision Table**

- **Supplemental Forms** – Includes detailed instructions and samples for the following:
 - Material Variance Explanation Form **Updated**
 - Due To/From Other Funds//Appropriations Supplementary Information Form **Updated**
- **Checklists** – Various reporting criteria checklists to ensure all reporting criteria have been met:
 - Budgetary/Legal and GAAP Reporting criteria checklist
 - Financial Reporting Criteria Checklist
 - Year-End Reports Checklist
 - Financial Statement Checklist for the SCO/DOF Fund Reconciliation **Updated**
- **Governmental Cost Funds** – Instructions with corresponding samples for the following:
 - Report No. 1 – Report of Accruals to Controller's Accounts
 - Reporting of Encumbrances **Updated**
 - Report No. 2 – Accrual Worksheet
 - Report No. 3 – Adjustments to Controller's Accounts
 - Report Nos. 1 and 3 – Revisions to Accruals and Adjustments to Controller's Accounts
 - Report No. 4 – Final Statement of Revenue
 - Report No. 5 – Final Reconciliation of Controller's Accounts with Final Budget Report
 - Report Nos. 7 and 8 – Pre-closing and Post-closing Trial Balances **Updated**
 - Report No. 15 – Reconciliation of Agency Accounts with Transactions per State Controller **Updated**
- **Nongovernmental Cost Funds** – Instructions with corresponding samples for the following:
 - Report No. 3 – Adjustments to Controller's Accounts
 - Report Nos. 7 and 8 – Pre-Closing and Post-Closing Trial Balances **Updated**
 - Report No. 13 – Report of Expenditures of Federal Funds
 - General Obligation Bond Funds
 - Special Deposit Fund
 - Non-Treasury Trust Funds
- **Frequently Asked Questions and Answers**
- **Budget Letter 13-02 – BUDGETING AND ACCOUNTING RELATIONSHIP AND COORDINATION**

Important Dates and Filing Instructions

Mailing/Availability of Controller's Documents to Departments

The documents necessary for year-end closing/reporting will be placed in the mail or messenger service or available via View Direct on the approximate following dates:

Mail Date/ Availability Date	Document
March 26, 2013	Prior Year Accrual Summary
July 10, 2013	EXCEL version of the Report of Accounts Outside the State Treasury System (Report No. 14)
April 15, 2013	Due To/From Other Funds/Appropriations Supplementary Information Form
April 15, 2013	Material Variance Explanation Form
July 2, 2013	Copies of SCO Journal Entries for June will <u>not</u> be mailed but will be available for departments to print via View Direct.
July 8, 2013	Monthly Reconciliation Reports (Department and Fund) will <u>not</u> be mailed but will be available for departments to print via View Direct.
July 12, 2013	Department Fund Checklist *
July 12, 2013	Report of Accruals to Controller's Accounts (Report No. 1; Forms 571A, 571B, and 571C) **†
July 12, 2013	Adjustments to Controller's Accounts (Report No. 3; Forms 576A and 576B) **†
July 12, 2013	Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5; Form 573) **

* The Department Fund Checklist is not all-inclusive. All funds with balances on the Agency Reconciliation Report and/or Fund Reconciliation Report must have Year-End Financial Reports submitted.

** These reports are available online for non-CALSTARS departments at www.sco.ca.gov/ard_reporting.html

† Additional blank copies of these reports are available at www.sco.ca.gov/ard_reporting.html

Deadlines and Deliverable Dates for Year-End Reports

Per DOF Budget Letter 13-05 issued May 7, 2013, state departments are required to submit their 2012-13 year-end reports as follows:

Due Dates	Fund(s) Year-End Reports
July 31, 2013	General Fund: Fund No. 0001
July 31, 2013	Feeder Funds: Fund Nos. 0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097
July 31, 2013	Special Fund for Economic Uncertainties (Fund Nos. 0374 and 0375)
August 20, 2013	All other funds including Non-Treasury Trust Funds
On or before August 20, 2013	The following are required <u>per department</u> : <ul style="list-style-type: none"> • Report of Expenditures of Federal Funds (Report No. 13) • Report of Accounts Outside the State Treasury System (Report No. 14) <i>Excel version available on the SCO Website</i> • Statement of Capital Assets Group of Accounts (Report No. 19)
September 3, 2013	Generally accepted accounting principles (GAAP) information, excluding independently audited financial statements
September 30, 2013	If you cannot submit your reports by the due dates, contact Salesni (Sal) Singh at (916) 322-4671 or email: sssingh@sco.ca.gov to receive approval to submit revisions and provide her with the date you will be submitting the reports. <u>Revisions sent prior to September 30, 2013, must be sent electronically</u> with a certification letter marked "Revised" to the SGR mailbox: BLFinRep@sco.ca.gov .
October 1, 2013	DRAFT of independently audited financial statements
October 15, 2013	FINAL independently audited financial statements
Date to Be Determined	As stated in Budget Letter 13-02, departments will be required to submit fund reconciliation packages to DOF this fall. More information will be provided in upcoming training for departments in June 2013.

CALSTARS automated hard copy reports and certification letter must be received by the due dates in order to be considered received on time. Submitting fund reports to the SCO on a **flow basis**, as soon as they have been completed, allows the departments more time to send in revised reports or to provide missing document(s), if necessary, before the due dates.

Submitting Revised Reports

If you find it necessary to revise the amounts reported on your original year-end reports, use the forms provided to you on the SCO website at http://www.sco.ca.gov/ard_reporting.html. The amounts reported as revisions for all fund types should only be the *difference* between the original amount reported for a specific account on the original report and the correct amount. It is not necessary to send an entirely new set of year-end reports.

Governmental Cost Fund Revisions:

If you have revisions for a governmental cost fund, use forms 571E and 571F, Revision to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the *difference* between the original amount as reported for a specific general ledger or appropriation account ("D", "T", and "F" type accounts) on the original Report No. 1 and/or on the original Report No. 3 and the correct amount.

Nongovernmental Cost Fund Revisions:

If you have revisions for a nongovernmental cost fund, use form 571E, Revisions to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the *difference* between the original amount as reported for a specific general ledger account on the original Report No. 7 and the correct amount.

Mailing/Delivery Addresses for Submitting Reports

<p><u>MAIL DELIVERY:</u> State Controller's Office (SCO) Division of Accounting and Reporting State Government Reporting P.O. Box 942850 Sacramento, CA 94250-5872</p>	<p><u>HAND DELIVERY:</u> State Controller's Office Division of Accounting and Reporting State Government Reporting 3301 C Street, Suite 700 Sacramento, CA 95816</p>
<p><u>ELECTRONIC DELIVERY BY EMAIL:</u> State Controller's Office State Government Reporting Section blfinrep@sco.ca.gov</p>	<p>Copies sent electronically MUST be in EXCEL. EXCEL versions for the following are available on SCO's website:</p> <ul style="list-style-type: none"> • <i>Report No. 14 (and DOF approval letter if applicable – see page 38 of this manual)</i> • <i>Due To/From Other Funds Supplementary Information Form</i>
<p><u>MAIL DELIVERY:</u> Department of Finance (DOF) Fiscal Systems and Consulting Unit (FSCU) 915 L Street, 7th Floor Sacramento, CA 95814</p>	<p><u>MAIL DELIVERY:</u> California State Treasurer's Office (STO) Securities Clearance Section P.O. Box 942809 Sacramento, CA 94209-0009</p>
<p align="center"><u>SPECIAL MAILING/DELIVERY INSTRUCTIONS:</u></p> <p><u>Year-End Financial Reports:</u></p> <p>Mail or hand-deliver all required year-end reports to the SCO. For a full list of required reports by fund type, see pages 18 and 19 of this manual.</p> <p><u>Report of Expenditures of Federal Funds (Report No. 13):</u></p> <p>Mail the <i>original copy</i> to the DOF. Mail/Deliver <i>one copy</i> to the SCO, along with the required year-end financial reports.</p> <p><u>Report of Accounts Outside the State Treasury System (Report No. 14):</u></p> <p>Mail the <i>original copy</i> to the STO. Mail <i>one hardcopy each</i> to the SCO <u>and</u> to the DOF. Send <i>one electronic copy</i> to the SCO (electronic version available June 2013)</p>	
<p align="center"><u>REMINDERS:</u></p> <ul style="list-style-type: none"> • Label each report with the department name and <u>four-digit organization number</u> and the fund name and number. • Original and copies must include a signature and phone number. • Verify all reports for all funds are submitted. • If financial reports for a particular fund are not submitted, provide an explanation on the certification letter; list the report on the certification letter and note “<i>no activity to report</i>”. If there is nothing to report for <u>Reports Nos. 18 and 19</u>, indicate “<i>no capital assets</i>”. • <u>Do not staple</u> year-end reports together. Please use paper clips, clasps, or rubber-bands. 	

CALSTARS and Non-CALSTARS Filing Requirements

General Information for CALSTARS Departments:

For CALSTARS departments that have successfully submitted electronic year-end financial reports for the prior fiscal year, submit the following:

- A certification letter
- CSYDB3-1 Report which replaces Report Nos. 1, 2, 3, 5, and 15
- Final Budget Report (Report No. 6 - B06)
- The **NEW** CALSTARS report, the Encumbrance Reclassification Report for the SCO (H14).
- Any remaining required year-end reports
- Supporting documentation for Report No. 3 accrual adjustments (if applicable) and for any pending budget revisions, allocation orders, executive orders, etc. increasing or decreasing an appropriation on the CSYDB3-1. (See page 22 for more details)

For CALSTARS departments submitting reports electronically for the first time this fiscal year and for departments with unsuccessful electronic file transfers in the prior fiscal year, submit the following:

- Hard copies of the Report Nos. 1, 3 and 5, as well as a copy of the CALSTARS CSYDB3-1 – Automated SCO Year-End Report – FINAL
- Any remaining year-end reports required
- Final Budget Report (Report No. 6)
- The **NEW** CALSTARS report, the Encumbrance Reclassification Report for the SCO (H14)

After successfully completing an electronic transfer of year-end reports, hard copies of Report Nos. 1, 2, 3, 5, and 15 will not be required in subsequent years. For more information on filing statement electronically refer to Department of Finance's CALSTARS Operation Memo and CALSTARS Procedure Manual www.dof.ca.gov/html/calstars/procedure/procedure.htm

CALSTARS Automated Reports

DO NOT send electronic reports if you have report edit messages. Clear report edits before you send reports to the SCO. Do not send CSYDB3-1 pages for accounts that are not on the SCO "Agency Reconciliation Report" (Tab Run). E.g., an invalid Account Type 97. The following are **examples of report edit messages** ("warning") that should **not** be submitted to the SCO:

- **Prior, prior year revenue ("R")**
- **Prior, prior year Refunds to Reverted Appropriations ("R")**
- **Prior year Operating Transfers-In accounts ("R")**
- **Any account not reconciled to SCO**

CALSTARS automated hard copy reports must be received by the due dates on page 11 to be considered as received on time.

CALSTARS and Non-CALSTARS Filing Requirements (cont.)

Reminders for All Departments (CALSTARS and Non-CALSTARS):

- In addition to including the **e-mail address** of a contact person on each fund's certification letter, **include a mailing address of the department, the names of your department's Director and Chief of Accounting and their respective e-mail addresses.**

Report Forms Available in Excel Format

The following blank Excel forms are available on the SCO website at www.sco.ca.gov/ard_reporting.html :

- Report of Accruals to Controller's Accounts (Report No. 1):
Forms 571 A, 571 B, 571 A/B, and 571 D
Governmental Cost Funds Only
- Adjustments to Controller's Accounts (Report No. 3):
Forms 576 A and 576 B
Governmental and Nongovernmental Cost Funds
- Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3):
Forms 571 E and 571 F
Governmental and Nongovernmental Cost Funds
- Report of Accounts Outside the State Treasury System (Report No. 14) **NEW**
Std. Form 445, Revised 06/2013
All Fund types
- Due To/From Other Funds/Appropriations Supplementary Information Form
All Fund Types
- Material Variance Explanation Form
All Fund Types

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***New* and Updated
Report and Form
Requirements**

Required Year-End Reports for Governmental Cost Funds and Bond Funds

The year-end reports required by the SCO for Governmental Cost Funds and Bond Funds are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
1	—	571C	7952	Report of Accruals to Controller's Accounts Due To/From Other Funds and Due To/From Other Appropriations Supplementary Information Form One electronic copy (Excel version)
	H14			NEW Encumbrance Reclassification Report for SCO (see page 21)
2	—	572	7953	Accrual Worksheet
3	—	576C	7955	Adjustments to Controller's Accounts Due To/From Other Funds/Appropriations Supplementary Information Form (see page 52)
4	Q26		7956	Final Statement of Revenue
5	—	573C	7957	Final Reconciliation of Controller's Accounts with Final Budget Report
6	B06	—	7961	Final Budget Report (CALSTARS automated departments only)
7	G02		7962	Pre-Closing Trial Balance Due To/From Other Funds Supplementary Info Form (see page 52)
8	G02		7962	Post-Closing Trial Balance (includes Subsidiaries on File)
15	—	—	7976	Reconciliation of Agency Accounts with Transactions per State Controller

SPECIAL REPORTS: ^a

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
14 ^b	—	STD. 445	7975	Report of Accounts Outside the State Treasury System NEW **TWO copies: One hardcopy and one electronic copy (Excel version available on the SCO website) per department ** Required even if there are no accounts to report. (see page 38)
18	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts **One Report per fund**
19	G05	—	7978	Statement of Capital Assets Group of Accounts **One Report per department**
22 ^c	—	—	7980	Statement of Contingent Liabilities **One Report per fund**

- If your department does not have amounts to report on the special reports, your Certification Letter must indicate this for each report. Refer to the Certification Letter instructions on page 31 for more information.
- Include all accounts used by your department on one report..
- Not required for Fund 0990 (Non-Treasury Trust Fund).

Required Year-End Reports for Nongovernmental Cost Funds

The year-end reports required by the SCO for Nongovernmental Cost Funds, excluding bond funds, are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
3	—	576C	7955	Adjustments to Controller's Accounts Due To/From Other Funds/Appropriations Supplementary Information Form (see page 52)
7	G02		7962	Pre-Closing Trial Balance Due To/From Other Funds/Appropriations Supplementary Information Form (see page 52)
8	G02		7962	Post-Closing Trial Balance (includes Subsidiaries on File) Due To/From Other Funds/Appropriations Supplementary Information Form (see page 52)
9 ^d	G04	—	7963	Statement of Operations (Analysis of Change in Fund Balance)
13 ^e	Q34		7974	Report of Expenditures of all Federal Funds
20 ^d	G04	—	7979	Statement of Financial Condition

SPECIAL REPORTS ^a:

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
14 ^b	—	STD. 445	7975	Report of Accounts Outside the State Treasury System NEW **TWO copies: One hardcopy and one electronic (Excel) version (available on the SCO website)
18	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts ** One Report per fund**
19	G05	—	7978	Statement of Capital Assets Group of Accounts ** One Report per department**
22 ^c	—	—	7980	Statement of Contingent Liabilities ** One Report per fund**

- If your department does not have amounts to report on the special reports, your Certification Letter must indicate this for each report. Refer to the Certification Letter instructions on page 31 for more information.
- Include all accounts used by your department on one report. (see page 38 for detailed instructions)
- Not required for Fund 0990 (Non-Treasury Trust Fund).
- Required for non-shared funds only.
- Required for the Federal Funds only. Submit the original report to the DOF, FSCU and one copy to the SCO (see page 13 for mailing addresses).

New and Updated Report and Form Requirements

New CALSTARS Report H14 – Encumbrance Reclassification Report for SCO

Beginning with fiscal year 2012-13, a new report, the Encumbrance Reclassification Report for SCO – H14, is required as a supplement to the CSYDB3-1 for automated statements. This is NOT an automated CALSTARS report. Departments are required to provide this supplemental report along with their year-end reports. This report will summarize the encumbrance reclassification entries for SCO.

Since the **information on this report is not sent electronically**, the H14 report will be used as an input document and the information keyed into the system manually by key-data operators. See an example of the H14 report on the following page.

SAMPLE OF ENCUMBRANCE RECLASSIFICATION REPORT FOR SCO CALSTARS H14 REPORT

```

CSTARH14 1234 (DEST: A1 CTP2) PY. .0,0,0,2. ***** RUN:01/03/XX TIME:12.57
PRIOR FISCAL YEAR: 20XX
GOVERNMENTAL ACCOUNTING ADVISORY BOARD
ENCUMBRANCE RECLASSIFICATION REPORT FOR SCO
AS OF 06/30/12
***** PAGE 4
FUND : 9999 ENCUMBRANCE RECLASS FUND
FUND DETAIL: 00
SUB FUND : 000
*****
GLAN SUB GL DESCRIPTION AMOUNT DC
---
3114 0001 DUE TO OTHER FUNDS 1,000.00 C
3114 0444 DUE TO OTHER FUNDS 300.00 C
3115 DUE TO OTHER APPNS 15,300.00 C
3290 DUE TO OTHER GOVERNMENTAL ENTITIES 98.00 C
-----
3010 ACCOUNTS PAYABLE 16,698.00 D
  
```

New and Updated Report and Form Requirements

Report No. 5 - Supporting Documentation Required

Supporting documents are required for budget adjustments increasing or decreasing appropriation balances as reflected on the CSYDB3-1 and/or Final Reconciliation of Controller's Accounts with Final Budget, Report No. 5. The support documentation (i.e., executive orders, budget letters, allocation orders, pending claim schedule, etc.) will allow us to confirm the validity of an amount reported as an increase or decrease in appropriation authority and help us to identify overdrafts for a specific item within an appropriation.

If you are submitting your year-end reports manually and are posting accruals against reverted appropriations with pending claim schedules, indicate the following on the bottom of the Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records, Report No. 5:

The amount on the "Pending Budget Revisions (BR)/Allocation Orders (AO)/Executive Orders (EO) line in the "Appropriation Balance" column is there to cover an accrual posted for a pending claim schedule.

Report No. 7 - Statewide Assessments

Governmental (CALSTARS and Non-CALSTARS) and Nongovernmental (Non-CALSTARS) Cost Funds:

The administering department/fund administrator of a fund has the responsibility to record and report statewide assessment expenditures on the Report No. 7, although the expenditures are charged under other ORG code(s) for the following statewide projects: SCO – GAAP, SCO – MyCalPAYS, FI\$Cal, and DOF – FSCU. These expenditure assessments are the shared costs associated with statewide projects. Please note that for shared funds, only the administering department will record and report these statewide assessments. Also, refer to the instructions on the Report No. 15.

Governmental Cost Funds Only:

- For a **Non-CALSTARS** administering department/fund administrator, "Statewide Assessment" expenditures will be reported in the Expenditure GL 9000 column on the Report No. 15. Total expenditures reported on the Report No. 7 must agree with the total expenditures reported on the Report No. 15.
- For a **CALSTARS** administering department/fund administrator submitting manual financial reports, "Statewide Assessments" will be included in the Report No. 7 as part of fund balance, and will be reported in the "Statewide Assessment" column on the Report No. 15. Total expenditures reported on the Report No. 7 must agree with the total amount in the expenditure column of the Report No. 15. CALSTARS departments should refer to the CALSTARS Procedure Manual for detailed instructions on how to record the transactions.

New and Updated Report and Form Requirements

Report Nos. 7 and 8 - Abnormal Balance(s) Explanation Required

All abnormal balances reported on the Report Nos. 7 and 8, the Pre and Post Closing Trial Balances, must be explained. All fund types are required to provide an explanation for any abnormal general ledger account balance either as a footnote on the report(s) or on a separate sheet of paper as an attachment.

For departments using CALSTARS, any abnormal balance(s) on the CALSTARS's G02, Report Nos. 7 and 8, will be identified with an asterisk(s) (*) which indicate explanations are required.

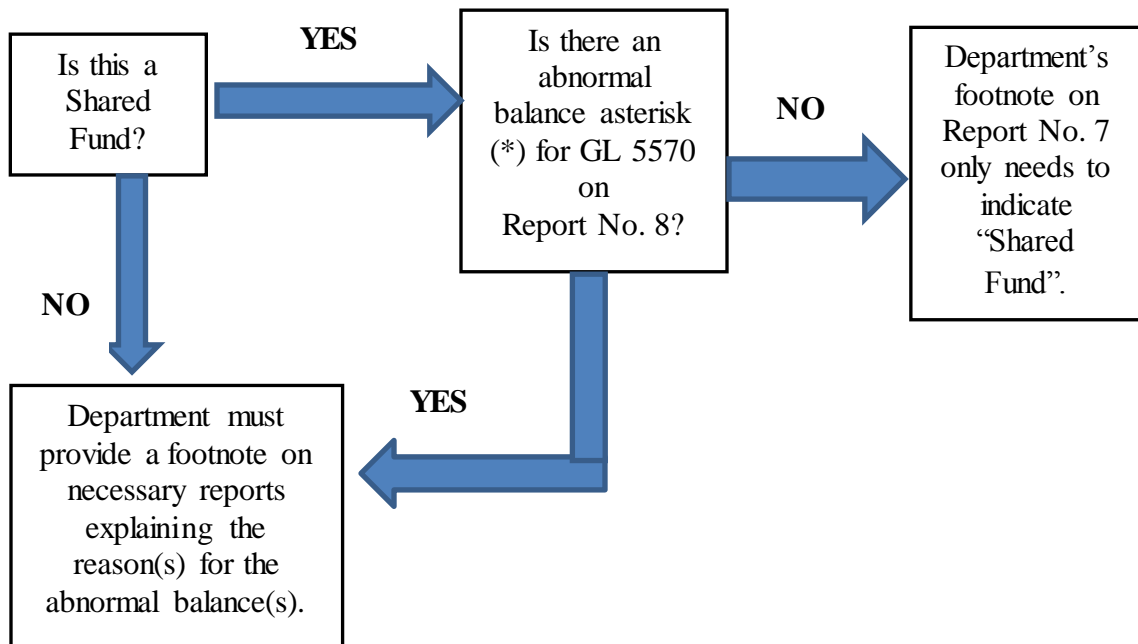
Examples of abnormal balances are as follows:

- Asset accounts with credit balances
- Liability accounts with debit balances
- Revenue and Transfer-In accounts with debit balances
- Expenditure and Transfer-Out accounts with credit balances

The **fund balance** of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance on Report No. 8, Post Closing Trial Balance, for all funds should have either a zero or a credit balance. Funds reporting a debit balance in the Fund balance account must provide a footnote on Report No. 8 or an attachment explaining the negative (deficit) fund balance.

Shared Funds

Please use the following flowchart to help determine how to footnote an abnormal balance asterisk on the Report No. 7 (CALSTARS G02) for **GL 5570 – Fund Balance Clearing Account**:



New and Updated Report and Form Requirements

Report No. 13 – Report of Expenditures of All Federal Funds

- Departments are required to submit:
 - **Original** to the Department of Finance (DOF), Fiscal Systems and Consulting Unit (FSCU)
 - **Copy** of the report to the SCO with their year-end reports.
- For detailed instructions and an illustration of the report, see SAM section 7974; <http://sam.dgs.ca.gov/TOC/7900/7974.aspx>. At year-end, departments will prepare a Report of Expenditures of Federal Funds, Report No. 13, for all federal funds.
- Mailing instructions are on page 13 of this manual.

If you have any questions regarding the Report No. 13, contact the FSCU hotline at fscuhotline@dof.ca.gov or (916) 324-0385 or CALSTARS hotline at hotline@dof.ca.gov or 916-327-0100.

Federal Trust Fund (0890)

Year-end reports for the Federal Trust Fund (Fund 0890) should **not** be submitted unless there is a zero fund balance. Inflows must equal outflows when accounting for the Federal Funds. There must be a zero fund balance after nominal accounts are closed. If you are accruing revenue or transfers-in (inflows), you should also be accruing an expenditure or transfers-out (outflows).

The year-end Closing Instructions of the CALSTARS Procedures Manual in Volume 7, Chapter V state the following:

NOTE: Fund may have Transfers-In/Out (GL 9811/9812) activity along with other nominal accounts. GL 5530, Fund Balance-Un-appropriated must be zero.

Also, for nongovernmental cost fund reports, and specifically for the Report No. 7 – Pre-closing Trial Balance, GL Accounts 8000, Revenue and GL 9000, Expenditures must equal.
Bottom line: Revenue, Expenditure, and Transfer-In/Out accounts must net to zero.

Report No. 14 – Report of Accounts Outside the State Treasury *Revised*

The Report No. 14 has been revised and two copies, one hardcopy and one electronic copy are required to be submitted to the SCO. An Excel version of the Report No. 14 is available on the SCO website at http://www.sco.ca.gov/ard_reporting.html. See page 38 for detailed instructions on preparing the Report No. 14 including the enhancements and new requirements as follows:

- Clarified instructions
- Preparer information
- Department head will certify accounts are consistent with the authorized purpose and collateral requirements have been met
- A copy is sent to the DOF, FSCU, in addition to the electronic and hardcopy sent to the SCO
- Indicate whether an account is collateralized or collateralization is not required
- Notification of changes to outside account and closed accounts reported with specific dates

New and Updated Report and Form Requirements

Report No. 15 –

Reconciliation of Agency Accounts with Transactions per State Controller

Updated For CALSTARS departments submitting manual reports, an additional column for “Statewide Assessments” has been added on Report No. 15. Refer to page 26 for a revised Report No. 15 form. Non-CALSTARS departments will enter the amounts in the “Appropriations Expenditures” column. The “Expenditure” column must agree with the amount on the Report No. 7 - Pre-closing Trial Balance.

Report No. 15 should be submitted with a minimum **font size of 10** and on **legal sized paper** when necessary.

Include all nominal general ledger accounts: A column must be included for each nominal general ledger account (GLs 8000-9999) that appears on the Pre-Closing Trial Balance and for statewide assessments, if applicable. Additional columns may be added or unused columns may be relabeled or deleted as needed.

New **Statewide Assessments** column to be used by CALSTARS departments submitting manual reports. Amounts for statewide assessments as follows:

- SCO - GAAP Assessments (ORG 0840)
- SCO – MyCalPAYS, Assessments (ORG 0840)
- FI\$Cal Assessments (ORG 8880)
- DOF – FSCU Assessments (ORG 8860)

, that are charged against the fund by departments other than your own department Org Code. The SCO journal entry for these assessments will display the Org Code of the department assessing the charges (e.g., 0840 for SCO, 8860 for DOF). Do not include statewide assessments on the Report 15 for charges recorded against your department’s Org Code, as these types of assessments are charged to your department’s appropriations (e.g. Pro Rata).

- **CALSTARS** administering departments which submit manual reports will enter the statewide assessments in a separate column on the Report No. 15; this column is independent of other figures on the Report No 15. Total amount in the “Appropriation Expenditure” column on the Report No. 15 must agree to total expenditures (GL 9000) on the Pre-closing Trial Balance (Report No. 7). CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transactions.
- **Non-CALSTARS** administering departments will record the statewide assessment as an expenditure and enter the statewide assessment in the “Appropriation Expenditures” column on the Report No. 15. Total amount in the “Appropriation Expenditure” column on Report No. 15 must agree to total expenditures on the Pre-closing Trial Balance (Report No. 7).

An example of the revised Report No. 15 is shown on the following page:

RECONCILIATION OF AGENCY ACCOUNTS WITH TRANSACTIONS PER STATE CONTROLLER

Reconciliation of Agency Accounts with Transactions per State Controller Report No. 15

Agency: Governmental Accounting Advisory Board (1234)
Fund: General Fund (0001)
June 30, 20XX

	(A)	Reverse Prior Year			Apply Current Year		(G)	Transactions For Agency Accounts									(P)
		(B)	(C)	(D)	(E)	(F)		(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)		
		Adj to Controller's Accounts		Corrections made by Controller's	Adj to Controller's Accounts	Accruals		Approp- iation Expenditures	Reimburse- ments	Revenue	Refunds to Reverted Approp	PY Adj	PY Revenue Adj	Transfer In	Transfer Out	Statewide 1/ Assessments	
Account	Transactions per Controller	Accounts	Accruals	Controller's	Accounts	Accruals	Total	9000	8100	8000	9891	9896	9892	9811	9812		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Item 1234-001-0001																	
State Operations, FY 11/12																	
Chapter 33/11																	
A. Program 10																	
B. Category 90-Reimb																	
C. Category 97 Revolving Fd Adv																	
Item 1234-001-0001																	
State Operations, FY 10/11																	
Chapter 712/10																	
A. Program 10																	
B. Category 90-Reimb																	
C. Category 98 Adv to SRF																	
Item 1234-001-0001																	
State Operations, FY 09/10																	
Chapter 1/09																	
A. Program 10																	
B. Category 90-Reimb																	
Revenue FY 11/12																	
161400 Misc																	
SCO - GAAP Assessments																	
DOF - FSCU Assessments																	
FI\$Cal Assessments																	
SCO - MyCalPAYS																	
TOTALS PER AGENCY																	

1/ To be reported by **administering departments** only. CALSTARS departments submitting manual reports will enter the statewide assessments in a separate column (P); this column is independent of other figures on the Report No. 15. Non-CALSTARS departments will enter the amounts in the "Appropriation Expenditures" column. The "Appropriation Expenditures" column must agree with the amount on the Pre-Closing Trial Balance (GL 9000).

New and Updated Report and Form Requirements

Report No. 22 – Statement of Contingent Liabilities

A new table outlining the criteria for determining when to accrue and disclose contingent liabilities has been added to this manual to assist with the preparation of the Report No. 22. These updated guidelines, as well as a sample Report No. 22, are shown on pages 45-47 of this manual.

Category 90 vs. Category 91

For CALSTARS departments, SCO will provide CALSTARS' Client Support and Training Unit (CSTU) with a list of departments which are allowed to submit their year-end reports with an unscheduled reimbursement CAT 91. Therefore contact the CALSTARS Hotline at (916) 327-0100 or e-mail HOTLINE@dof.ca.gov for CAT 91 account verification, before submitting Category 91 accruals, when CAT 90 exists as a result of reimbursement authority in the Budget Act.

Categories 94, 95, 96, 98 and 99: *do not* submit accruals for these categories.

Program 99 should have a zero balance at the end of the fiscal year.

GASB No. 54 Fund Balance Reporting Updated

For all new funds created that will be reported in fiscal year 2012-13, departments must provide the fund balance classifications as required by the Governmental Accounting Standards Board (GASB) Statement No 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The GASB Statement 54 Fund Balance Classification form, instructions, and an example of the completed form are available at http://www.sco.ca.gov/ard_reporting.html.

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Certification Letter

Certification Letter

Departments must submit a separate certification letter for each fund along with their year-end reports. The certification letter must provide a complete list of the year-end reports submitted for the fund, as well as a signed statement certifying those reports as being true and correct. Since the certification statement applies to all of the listed reports, it is not necessary to individually sign each report. Department managers who prefer to sign each report may continue to do so; however, a certification letter must still be submitted with the reports.

All certification letters must include the following:

- Date
- Department name
- Department four-digit organization number
- The name and number of the fund and subfunds submitted
- A list of the reports submitted within each fund. If there is nothing to report, note this on the certification letter as “no activity to report” or “no capital assets”, as applicable.
- A contact person, phone number, and **e-mail address** for each set of fund reports
- Department mailing address and the name and e-mail addresses for the department Director and Chief of Accounting
- A certification statement signed by the officer responsible for fiscal administration

For CALSTARS Departments Submitting Reports Electronically:

Include a paragraph on your certification letter stating you are a participant in CALSTARS Auto Year-End. Note: if you are a first-time participant in the automated statement process, remember to include hard copies of the Reports Nos. 1, 2, 3 and 5 along with the CSYDB3-1. The following is a *sample* paragraph:

“Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments were transmitted to your office on X/XX/ 2013 for Fund XXXX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.”

Certification Letter (cont.)

Non-CALSTARS Departments

Remember to list all reports required for that fund type on the certification letter, regardless of whether there was activity or not. This includes the Statement of Financial Condition, Report No. 20, (Nongovernmental Cost Funds, with the exception of Bond Funds which are treated like a governmental cost fund for reporting purposes) and the Statement of Contingent Liabilities, Report No. 22 (Governmental and Nongovernmental Cost Funds).

A separate certification letter per fund is required. Each certification letter must have an *original* signature of authorization. A fund with multiple *subfunds* can be included within one certification letter but the reports submitted for each must be listed separately on the letter. Requiring one certification letter per fund helps to insure each department's year-end reports are accurately accounted for when SCO logs them in as received.

Include the Report No. 14; Report of Accounts Outside the State Treasury System and the Report No. 19; Statement of Capital Assets Group of Accounts, on the **General Fund** certification letter. If your department does not have active accounts to list on the Report No. 14, indicate, "No accounts outside the state treasury". All accounts that are outside of the State Treasury, as defined by Government Code section 16305.2, **MUST** be listed on the Report No. 14 including accounts with zero balances and accounts that have been closed during the fiscal year (specify date closed).

If your department does not submit reports for the General Fund, include the Report Nos. 14 (hardcopy) and 19 on the certification letter for your department's major fund and indicate on all other funds' certification letters which set of fund reports will include the "special reports". The idea here is to help us locate the Report Nos. 14 and 19 as they are received and to make sure you are given credit for sending them.

SPECIAL REPORTS on Certification Letter

The "Special Reports" include Report Nos. 14, 18, 19, and 22. These reports are to be listed under the heading "SPECIAL REPORTS" and below all other required reports on the certification letter. (Refer to pages 33-35 for examples) Note: Report No. 13 is not considered a "Special Report".

Report Nos. 18 and 22 - ONE Required PER FUND:

One of each report is required **per fund**.

If there is **no activity** to report on the Report Nos. 18 or 22, list the reports on the certification letter under "Special Reports" as required and indicate:

"no capital assets to report" for the Report No. 18

"no activity to report" for the Report No. 22

Certification Letter (cont.)

Report Nos. 14 and 19 - ONE Required PER DEPARTMENT:

Submit **one** hardcopy **and** **one** electronic copy of the **Report No. 14 (Excel format available on the SCO website)** and **one** copy of the **Report No. 19** to the SCO.

If there is **no activity** to report on the Report Nos. 14 or 19, list the reports on the certification letter under “Special Reports” as required and indicate:

“*no activity to report*” for the Report No. 14

“*no capital assets to report*” for the Report No.19

If there are no accounts outside the State Treasury to report, a blank Report No. 14 is still required and should indicate “No Accounts Outside the State Treasury”. Be sure to include a signature of the department head and contact information on the Report No. 14. (Refer to page 38 for specific instructions)

Also, indicate the identity of the fund with which the Report Nos. 14 and 19 are submitted on **every** fund certification letter you submit. This will help us locate the Report Nos. 14 and 19 for each department.

SUPPLEMENTAL FORMS on Certification Letter

New Under the heading “SUPPLEMENTAL FORMS” include the Due To/From Other Funds/Appropriations Supplementary Information Form **and** the Material Variance Explanation Form. (Refer to pages 33-35 for examples).

If there is **no activity** to report on either form, list the forms on the certification letter under “Supplemental Forms” as required and indicate “no activity to report” for both forms.

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 1 Governmental Cost Fund Manual Reports

Governmental Accounting Advisory Board (1234)

Prepared by: Department of XYZ (7890) →

123 Elm Street

Sacramento, CA 95816

Mr./Ms. I. M. Director, IMD@gaab.ca.gov

Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

Insert your department name and number.

If you prepare statements for a department other than your own, ensure the accuracy of the information. The four-digit org code will be used to log the statements in as received.

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

Report No. Description

- | | |
|----|--|
| 1 | Report of Accruals to Controller's Accounts |
| 2 | Accrual Worksheet |
| 3 | No Activity to Report for Adjustments to Controller's Accounts |
| 4 | Statement of Revenue |
| 5 | Final Reconciliation of Controller's Accounts with Final Budget Report |
| 7 | Pre-Closing Trial Balance |
| 8 | Post-Closing Trial Balance |
| 15 | Reconciliation of Agency Accounts with Transactions per State Controller |

SPECIAL REPORTS

Report No. Description

- | | |
|----|--|
| 14 | Report of Accounts Outside the State Treasury – submitted with fund 0001 |
| 18 | Statement of Changes Capital Assets Group of Accounts |
| 19 | Statement of Capital Assets Group of Accounts - submitted with fund 0001 |
| 22 | No Contingent Liabilities to report |

SUPPLEMENTAL FORMS

Due To/From Other Funds/Appropriations Supplementary Information Form
Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer /Name and title of Officer

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Governmental Accounting Advisory Board (1234)
123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

Example No. 2
CALSTARS
Automated
Governmental
Cost Fund

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments for Fund 0001 were transmitted to your office on July 28, 20XX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

Report No. Description

CSYDB3-1	Automated SCO Year-End Report – Final (In lieu of Report Nos. 1, 2, 3, 5, and 15)
H14	Encumbrance General Ledger Liability Reclassification for SCO NEW
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
6	Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance

SPECIAL REPORTS

Report No. Description

14	Report of Accounts Outside the State Treasury – <u>submitted w/ fund 0001</u>
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts <u>-submitted with fund 0001</u>
22	<i>No Activity to Report</i> for Contingent Liabilities

SUPPLEMENTAL FORMS

Due To/From Other Funds/Appropriations Supplementary Information Form
Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer/Name and title of Officer

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 3
Nongovernmental
Cost Fund

Governmental Accounting Advisory Board (1234)
123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

NONGOVERNMENTAL COST FUND (4321)

<u>Report No.</u>	<u>Description</u>
-------------------	--------------------

3	No Adjustments to Controller's Accounts to report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
13	Report of Expenditures of Federal Funds (<u>copy only to SCO</u> - <i>original</i> send to DOF, FSCU)
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report No.</u>	<u>Description</u>
-------------------	--------------------

14	Report of Accounts Outside the State Treasury – <u>Submitted w/ fund 0001</u>
18	Statement of Changes in Capital Assets Group of Accounts – No Capital Assets to Report
19	Statement of Capital Assets Group of Accounts - Submitted with fund 0001 – No Capital Assets to Report
22	Statement of Contingent Liabilities (No activity to report)

SUPPLEMENTAL FORMS

Due To/From Other Funds/Appropriations Supplementary Information Form
Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer
Name and title of Officer

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Special Reports

Special Reports

Report No. 14 - Report of Accounts Outside the State Treasury

Purpose

The Report of Accounts Outside the State Treasury (STD. 445) provides the account title and number, account type, purpose, name and address of depository and branch, authority, and book balance at June 30 for any account in which state money is deposited, as defined by Government Code section 16305.2, and which is not in the centralized State Treasury system.

General Instructions

- If the department has an account, identify the bank account(s) and the corresponding June 30 book balance(s) on one report for the entire department. Two copies are required to be submitted to the SCO – one Excel version sent to blfinrep@sco.ca.gov and one hardcopy sent with the year-end reports.
- If the department does not have accounts outside the Centralized State Treasury System, indicate “No accounts outside the State Treasury” on the Certification Letter and on the Report No. 14.

Specific Instructions *Updated*

- Each Report No. 14 should have the department name and four-digit organization number.
- The account title and number is taken from the bank statement.
- The type of account should be a checking, savings, or certificate of deposit. Titles such as impress account, liquidity account, or adjustment account are not account types. Electronic Funds Transfer (EFT) or zero balance accounts (ZBA) should be identified in this column. It is okay to use acronyms if the account type is also spelled out.
- The purpose must be consistent with DOF approval or as authorized by law. If the purpose of the account has changed and was approved by the DOF, a new request for approval must be submitted to the DOF, FSCU.
- The authority for the account should contain the date of the Department of Finance’s approval or citation if authorized by statute. **If citing the DOF’s approval for the Account, please attach a copy of the DOF’s approval letter.** Contact fscuhotline@dof.ca.gov or at (916) 324-0385 for assistance obtaining this letter.
- Balance is the book balance at June 30. If the account has been closed during the fiscal year, the account should be included on the report and the date the account was closed specified.
- Indicate whether the account is collateralized or if collateral is not required (see footnotes (a) and (c) on the Report No. 14). Check only one box. Questions regarding collateral should be directed to the STO Collateral Management Section at (916)-653-2886.
- The department head must provide a *signature* on the Report No. 14. The department head is the person responsible for the entire department. Their title (director, commissioner, elected official, etc.). Include the phone number of the person who should be contacted to answer questions concerning this report.

REPORT OF ACCOUNTS OUTSIDE THE STATE TREASURY

STATE OF CALIFORNIA - State Treasurer's Office
**REPORT OF ACCOUNTS OUTSIDE
 THE STATE TREASURY**
 STD. 445 (REV. 6-13)

This report will be required of all state agencies and departments to report state money that is outside of the State Treasury.
 If no account exists, submit report noted "No accounts outside State Treasury." Any account in which state money is deposited,
 as defined by Government Code (GC) 16305.2, and which is not in the centralized State Treasury system will be included in this report.

Each report must be typed.

Please return to:
 State Treasurer's Office
 Collateral Management Section
 P.O. Box 942809
 Sacramento, CA 94209-0001

- | | |
|--|--|
| (1) Account title and number appearing on bank/
savings and loan/other depository statement.
(2) State type of account (savings, checking, zero balance
account, certificate of deposit, investment, etc.).
(3) Brief description and purpose of account. Must be
consistent with the purpose approved by Department
of Finance or as authorized by law.
(4) Name and address of depository and branch. | (5) Cite Department of Finance approval and date or specific
statutory authority.
(6) Book balance of account as of June 30. If the account
was closed during the reporting period, include "n/a" and
the date when the account was closed.
(7) Indicate whether the account is collateralized or if collateral
is not required. Check only one box (Yes, No, or Not Required) |
|--|--|

DEPARTMENT NAME & ADDRESS					ORGANIZATION CODE	FOR FISCAL YEAR ENDED June 30.		
(1)	(2)	(3)	(4)	(5)	(6)	(7) COLLATERALIZED		
ACCOUNT TITLE & NUMBER	ACCOUNT TYPE	PURPOSE	BANK/SAVINGS & LOAN/OTHER DEPOSITORY	AUTHORITY	BALANCE	YES	NO	Not Required

(a) The banks and/or savings and loans listed on this report have been notified of the security and collateral requirements in accordance with GC sections 16520 through 16533 and 16510 through 16622 unless otherwise authorized by law; and FDIC regulations (12 C.F.R. 330.15).

(b) The use of all accounts listed is consistent with Department of Finance approval or as authorized by law.

(c) The deposited funds will be adequately collateralized throughout the year in accordance with law.

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1,

Division 4, Title 1, Government Code (commencing with Section 1090).

PREPARED BY (NAME & TITLE)		EMAIL ADDRESS		TELEPHONE NUMBER ()	
SIGNATURE (DEPARTMENT HEAD)		TYPE OR PRINT NAME & TITLE		DATED SIGNED	
#3				()	

Special Reports (cont.):

Report No. 18 - Statement of Changes in Capital Assets Group of Accounts

Purpose

The Statement of Changes in Capital Assets Group of Accounts (Report No. 18) provides the SCO with information regarding the addition and deduction of capitalized assets (both tangible assets and intangible assets) during the fiscal year. This information is needed for the preparation of the *Comprehensive Annual Financial Report* (CAFR), prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Report No. 18 must be submitted for each fund, except for Fiduciary Funds.

The ***Governmental Accounting Standard Board Statement No. 51 (GASB 51) - Accounting and Financial Reporting for Intangible Assets***, established uniform accounting and financial reporting requirements for intangible assets in fiscal year 2009-10.

Budget Letter 10-13 issued by the Department of Finance on June 18, 2010, provides specific information for implementing this policy on the capitalization of intangible assets for your financial reports and guidelines for retroactively reporting intangible assets that were not previously reported. The budget letter can be found at the following link:
http://www.dof.ca.gov/budgeting/budget_letter/.

SAM Section 8615 and 8635 require capitalization of purchased intangible assets and internally generated intangible assets. Definitions and descriptions of intangible assets are included in SAM and general ledger accounts for various categories of intangible assets are included in the UCM. Departments are required to report intangible assets using the lowest level general ledger account(s) for their intangible assets in the financial reports.

General Instructions

- A separate Report No. 18 must be prepared for each fund within your department, except for Fiduciary funds. Additionally, capitalized assets of both Proprietary and Fiduciary fund types must be included in the fund reports. If there are no capitalized assets for that fund, note on the Certification Letter that there are “*no capitalized assets*” in that fund.
- Departments are required to identify each Report No. 18 with the fund name, fund number, department name, and department number.

Special Reports (cont.):

Report No. 18 - Statement of Changes in Capital Assets Group of Accounts (cont.)

- **Updated:** Beginning balances must agree with the prior year's ending balances except for restating the beginning balance for unreported or misclassified capital assets. If an adjustment to the beginning balance is made, provide a footnote at the bottom of Report No. 18 that includes the description and the amount of the adjustment.
- **Updated:** For rules on retroactively reporting intangible assets Refer to Budget Letter 10-13, page 5. If intangible assets were included in the Report 18 last year under a different asset account (i.e. intangible assets work in progress), reduce the beginning balance of the previously used account and add the amount to the beginning balance of the correct intangible asset account.
- The addition column should only be used for assets acquired or internally generated during fiscal year 2010-11.
- If there are any deductions equal to or greater than **\$1.0 million**, the following information should be provided in a footnote:
 - The nature of the deduction, i.e., sale, demolition, transfer, or other.
 - The date acquired and acquisition cost for each deduction reporting a sale, demolition, or transfer.
 - The fund name and number and the department name and number to which the capitalized asset was transferred, if transferred.
 - Include an explanation for the deduction, if it represents an "Adjustment" or "Other Deduction".
- If you have any questions regarding this report, contact Dana Parker at DParker@sco.ca.gov

An illustration of a completed Report No. 18 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Changes in Capital Assets Group of Accounts – Report No. 18
Fish and Game Preservation Fund (0200)
June 30, 20XX

	Balance	Additions	Deduction	Balance June 30, 20XX
Tangible Assets				
Land	\$52,000,000.00	\$ 7,000,000.00	\$ 19,000.00	\$ 58,981,000.00
Buildings	8,837,865.53	3,119,425.68	103,071.28	11,854,219.93
Improvements Other Than Buildings	15,894,735.67	2,091,766.79	3,500,000.00 ¹	14,486,502.46
Equipment	50,092,029.66	1,822,676.28	549,696.15	51,365,009.79
Construction Work in Progress	0.00	1,000,000.00	0.00	1,000,000.00
Infrastructure - Depreciable	500,000.00	2,000,000.00	0.00	2,500,000.00
Intangible Assets				
Computer Software – Amortizable	1,500,000.00 ²	500,000.00	200,000.00	1,800,000.00
Land Use Rights – Amortizable	1,185,000.00 ³	0.00	0.00	1,185,000.00
Land Use Rights – Non-Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks - Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks – Non-Amortizable	0.00	0.00	0.00	0.00
Other Intangible Assets – Amortizable (specify)	0.00	0.00	0.00	0.00
Other Intangible Assets – Non-Amortizable (specify)	0.00	0.00	0.00	0.00
Internally Generated Intangible Assets in Progress	2,000,000.00 ⁴	800,000.00	0.00	2,800,000.00
	<u>\$132,009,630.86</u>	<u>\$18,333,868.75</u>	<u>\$4,371,767.43</u>	<u>\$145,971,732.18</u>

¹ Sale of Building acquired for \$2,000,000.00 on April 24, 1985. \$ 2,000,000.00
Building acquired by donation on December 20, 1990 with an
estimated worth of \$1,500,000.00. Transferred to the Department
of Parks and Recreation (3790), Fund (0392) . 1,500,000.00
\$ 3,500,000.00

² Restated beginning balance for previously unreported computer software

³ Restated beginning balance for land use rights previously reported in GL 2410- Intangible Assets.

⁴ Restated beginning balance for previously unreported application development costs for on ongoing computer software project.

Special Reports (cont.):

Report No. 19 - Statement of Capital Assets Group of Accounts

Purpose

The Statement of Capital Assets Group of Accounts (Report No. 19) provides information on capitalized assets recorded in the Capital Assets Group of Accounts and assures the accuracy and completeness of a department's capitalized asset accounts on the year-end financial reports.

Report No. 19 includes the total of all capitalized assets (tangible and intangible assets) of a department, and also provides the total capitalized assets for each fund.

Each Report No. 18 includes the amount of capitalized assets for one fund only, whereas Report No. 19 is a consolidation of all Report No. 18s.

If you have any questions regarding this report, contact Anthony DelMastro at (916) 322-2952.

An illustration of a completed Report No. 19 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Capital Assets Group of Accounts – Report No. 19¹
June 30, 20XX

	Debit	Credit
Tangible Assets:		
Land	\$ 60,689,360.74	
Buildings	14,787,829.61	
Improvements Other Than Buildings	24,451,411.99	
Equipment	61,738,541.69	
Construction Work in Progress	1,000,000.00	
Infrastructure – Depreciable	18,000,000.00	
Intangible Assets:		
Computer Software – Amortizable	8,200,000.00	
Land Use Rights – Amortizable	1,185,000.00	
Land Use Rights – Non-amortizable	0.00	
Patents, Copyrights, and Trademarks – Amortizable	0.00	
Patents, Copyrights, and Trademarks – Non-Amortizable	0.00	
Other Intangible Assets - Amortizable	0.00	
Other Intangible Assets – Non-Amortizable	0.00	
Internally Generated Intangible Assets in Progress	3,400,000.00	
Total General Capitalized Assets ¹	<u>\$193,452,144.03</u>	
Investment in General Capitalized Assets From: ²		
General Fund (0001)		\$ 29,890,263.76
CA Environmental License Plate (0140)		5,704,506.37
Outer Continental Shelf Land Act (0164)		65,232.44
Delta Flood Project (0176)		295,105.64
Fish and Game Preservation (0200)		145,971,732.18
Fisheries Restoration Act (0202)		306,480.18
Fish and Wildlife Pollution (0207)		93,920.41
Public Resources Acct. – Cigarette/Tobacco Surtax (0235)		2,408,640.08
Oil Spill Prevention (0320)		5,689,730.75
Oil Spill Response Trust (0321)		85,169.23
California Wildlife and Coastal Park (0786)		65,523.82
Federal Trust Fund (0890)		2,875,839.17
Total Investment in General Capitalized Assets ¹		<u>\$ 193,452,144.03</u>

¹ General Capitalized Assets Account Group is self-balancing. Total Capitalized Assets must equal Total Investment in Capitalized Assets.

² Investment in Capitalized Assets is a credit account used to offset the reported Capitalized Assets. Investment indicates the source of the monies from which the Capitalized Assets are required.

Physical inventories of capitalized assets are made at least once every three years

Subsidiary capitalized assets records were in agreement with the general ledger control accounts as shown above.

Special Reports (cont.):

Report No. 22 - Statement of Contingent Liabilities

Purpose

To report all contingent liabilities which have not been accrued by your department, and which exceed \$300 million. A report No. 22 is required for all funds, or if there are no contingent liabilities indicate this on the certification letter by stating "no activity to report".

The Statement of Contingent Liabilities (Report No. 22) must include contingencies for Federal audit exceptions, other audit exceptions, and litigation pending.

A guideline outlining the criteria for determining when to accrue and disclose contingent liabilities as well as an illustration of a completed Report No. 22 are shown on the following pages.

Special Reports (cont.):

Criteria for Accruing and Disclosing Contingent Liabilities:

Likelihood of Occurrence	Timing of the Underlying Event	Materiality Levels	Policy
Probable (likely)	Underlying event existed at or after balance sheet date	Amounts below the criteria shown in the following sections	Do not accrue or disclose
	Underlying event existed at balance sheet date	Greater than or equal to \$300 million	Accrue
		Less than \$300 million	Disclose
	Underling event existed only after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal to \$300 million	Disclose
Reasonably Possible (more than remote but less than probable)	Underlying event existed at or after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal to \$300 million for retroactive losses	Disclose
		Less than \$1 billion per year for decrease in future revenues or increase in expenditures	Do not accrue or disclose
		Greater than or equal to \$1 billion per year for decrease in future revenues or increase in expenditures	Disclose
Remote	Underlying event existed at or after balance sheet date	Any amount	Do not accrue or disclose
Un-asserted Claim	Underlying event existed at or after balance sheet date	Any amount	Do not accrue or disclose

Governmental Accounting Advisory Board (1234)
Statement of Contingent Liabilities – Report No. 22
Service Revolving Fund (0666001)
June 30, 20XX

Prepared by: _____

Telephone number: _____

Type of Contingent Liability	Reference Identification	Estimated Amount	Estimated Date of Payment	Comments
Damage Claims	CA-LIT-91-013	690,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-217	300,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-015	10,000,000.00	01/13	Settlement Pending

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090)

Subscribed and executed this _____ day of _____ July _____, 20XX at _____ Sacramento _____, California

Signature of Officer

Type or print name of Officer

Title of Officer

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Supplemental Forms

Supplemental Forms

Due To/From Other Fund/Appropriations Supplemental Form

We will continue to require departments to identify the department involved in each Due To/From Other Fund transaction on the Due To/From Supplementary Information form. For each amount posted to GL accounts 1410.XXXX and 3114.XXXX, provide the four-digit organization (org) code and department name related to the accrual. See a template for showing how to format the supplementary information on page 52 of this manual.

Give careful thought to the *end fund/end organization* for the Due To/From on the Due To/From Supplementary Information Form. If the amount will be further transferred or expended to another state department or fund, the accrual and the supplementary information should reflect the ultimate fund.

If an interagency agreement exists, it should provide the ultimate fund information. If it's unclear, contact the other department(s) party to any agreement to ensure your accrual Due To's and Due From's reconcile, and both departments are using the *ultimate* (end) fund.

Indicate on the form if you have contacted the other department but the amounts cannot be confirmed.

Submit the supplemental form to the SCO along with the fund's year-end reports as follows:

Governmental Cost Funds – include the form with the Report No. 1, Report of Accruals to Controller's Accounts and Report No. 3, Adjustments to Controller's Accounts.

Nongovernmental Cost Funds – include the form with the Report No. 7, Pre-closing Trial Balance. To avoid misclassification of accounts receivables, unless it is for a reverted appropriation that is recoded using GL 1319, Accounts Receivable – Other, a receivable held by the state, federal, or local government, should be reported using GL 14XX or GL 15XX. Refer to SAM Chapter 10400 for a description of GL accounts.

Due To/From Other Appropriations

General Ledger (GL) Account Nos. 1420, Due From Other Appropriations and 3115, Due To Other Appropriations, require the four-digit org code as the subsidiary number for accruals, adjustments, and balances on Report Nos. 1, 3, 7, and Subsidiaries on File. This requirement will assist our office with the reconciliation of the Due To and Due From GL accounts.

Year-end report forms for non-automated reports have been updated to allow for the addition of the four-digit org code subsidiary number after the GL account numbers for Due To/From Other Appropriations: 3115.XXXX and 1420.XXXX.

To ensure the Due To/From entries are reported correctly, departments will need to communicate and coordinate with each other to make sure their respective entries reconcile.

Supplemental Forms (cont.):

Due To/From Other Fund/Appropriations Supplemental Form (cont.)

Remember, the subsidiary four-digit org number should reflect the end organization. You do not need to report the org if it is merely a flow-through to another org. Also, exclude the clearing account, as a pass-thru fund, in the General Fund.

The following is an example of how a Due To/From Other Appropriations entry for a governmental cost fund should be reflected if the Due To/From is between two *separate* departments:

Type of transaction:

Correction of claim schedule 9456096, dated 5-1-20XX, paid by warrant number 08-211186:

DR	0001-4720-20XX-001-10-D	\$1,000.00
CR	0001-1234-20XX-001-10-D	\$1,000.00

Reason for request:

The department code referenced on the claim was 1234 but should have been org code 4720.

Department 1234 would record their side of the entry as follows:

DR	1420.4720 (<i>Due From Org 4720</i>)	\$1,000.00
CR	0001-1234-20XX-001-10-D	\$1,000.00

Department 4720 would record their side of the entry as follows:

DR	0001-4720-20XX-001-10-D	\$1,000.00
CR	3115.1234 (<i>Due To Org 1234</i>)	\$1,000.00

If your department is unable to report Due To/From Other Appropriations with the four-digit org code subsidiary via CALSTARS automated system, include the GL 1420 and 3115 with the four-digit subsidiary on the Supplementary Information form. If you submit manual reports, continue including the subsidiary account information on your Report Nos. 1, 3, 7, and subsidiaries on file.

The Due To/From Supplementary Information form is available for your use in an Excel Format on the State Controller's Office website at http://www.sco.ca.gov/ard_reporting.html. An example of this form is available on the following page.

This form must be listed on the Certification Letter under the heading "Supplemental Forms".

IMPORTANT!!!! Submit **two copies** of the Due To/From Other Funds and Due To/From Other Appropriations Supplementary Information form to the SCO. Submit **one electronically to** blfinrep@sco.ca.gov **using the EXCEL version available on the SCO website at** http://www.sco.ca.gov/ard_reporting.html **AND one hardcopy** with your year-end reports.

**Due To/From Other Funds (GL 1410/3114)
Due To/From Other Appropriations (GL 1420/3115)
Supplemental Form**

June 30, 20XX

NOTE: The subtotals will automatically calculate for each change in fund/subsidiary fund/subsidiary org

This information is required for all Due From Other Funds (GL 1410), Due To Other Funds (GL 3114), Due From Other Appropriations (GL 1420), and Due To Other Appropriations (GL 3115) amounts reported on CSYDB3-1, Report No. 1, Report No. 3, Report No. 7, and/or Revisions to Report Nos. 1, 3, and 7. Departments should coordinate with each other to ensure that their corresponding Due To and Due From entries reconcile. Submit GAAP adjustments for nongovernmental cost funds if the encumbrance amount exceeds \$1 million. Refer to the GAAP adjustment section in the GAAP Basis Reporting Year-End Financial Reports Information (http://www.sco.ca.gov/ard_reporting.html).

Agency Name and Number Governmental Accounting Advisory Board (1234)	Fund Name and Number Accounting Fund (0234)	
Name of Contact Person, Title Bud G. Tary, Accounting Officer	Email Address Bud.G.Tary@gaab.ca.gov	Telephone Number 916.555.1234

FUND	ORG	GL ACCOUNT	SUBSIDIARY FUND	SUBSIDIARY ORG	SUBSIDIARY ORGANIZATION TITLE	AMOUNT	SUBTOTAL (GL/SFUND/SORG)

- Departments should coordinate and communicate with each other to ensure that their corresponding Due To and Due From entries reconcile and that they are using the ultimate fund/org number as the subsidiary. Submit **two copies** of this form to the SCO: send one copy electronically (MUST be in EXCEL) and one hardcopy with the year-end reports.
- Submit GAAP adjustments for nongovernmental cost funds if the encumbrance amount exceeds \$1.0 million. Refer to the GAAP Basis Year-End Procedure Manual.

Supplemental Forms (cont.):

Material Variance Explanation Form

The purpose of completing the Material Variance Explanation Form is to identify and provide explanations for material variances between prior year (PY) and current year (CY) nominal account balances.

The Material Variance Explanation Form is required for each shared and non-shared fund submitting year-end financial reports to the SCO. The form must be listed on the Certification Letter under the heading of SUPPLEMENTAL FORMS. The Material Variance Explanation Form is available on the SCO website: http://www.sco.ca.gov/ard_reporting.html

Complete this form after you have prepared the fund's Report No. 7, Pre Closing Trial Balance or CSTARG02.

Instructions:

- Using the PY and CY Report No. 7s or CSTARG02s, fill in the PY and CY fund balances (yellow cells).
- The form will automatically calculate the amount and percentage of the variance.
- Based on the calculation, a message will identify whether or not the variance is material, and requires a variance explanation.
- If a variance explanation is *not* required, a form is still required to be submitted, but with no explanation required in the Material Variance Explanation section.
- If a variance explanation *is* required, complete the Material Variance Explanation section for the applicable nominal account type(s) at the bottom of the form, providing as much detail as possible.
- Submit **two copies** of the form with the fund's year-end reports to the SCO.
- The form must be listed on the Certification Letter under the heading "Supplemental Forms".

Material Variance Criteria:

1. Difference of CY Balance less PY Balance is greater than or equal to \$1,000,000.00.

AND

2. Percentage of variance (variance divided by PY) is greater than or equal to 10%. When either CY or PY is zero, variance percentage is inapplicable, and no explanation is needed.

Material Variance Explanations:

Explanations should answer the question "WHY is there a variance?" If applicable, always provide the specific legal citations, Government Code section, Budget Letter No., Executive Order No., etc.

Supplemental Forms (cont.):

Material Variance Explanation Form (cont.)

Examples of **acceptable** variance explanations:

- Revenue (GL XXXX) increased due to a new revenue source per Government Code section XXXX
- Expenditures (GL XXXX) decreased as a result of program XX budget cuts/lack of funding/increased federal reimbursements
- Transfers In (GL XXXX) increased due to additional federal grants administered for the XX program

Examples of **unacceptable** variance explanations:

- Revenues increased
- Expenditures decreased due to increased encumbrances
- Transfers-In increased due to federal grants

An example of the Material Variance Explanation Form is presented on the following page.

Material Variance Explanation Form
Expenditures, Revenue, Transfers In, and Transfers Out
June 30, 20XX

Fund Number: **0001**

Contact Name: **Bud G. Tary**

Agency Code: **1234**

Contact Email: Bud.G.Tary@gaab.ca.gov

Fill in the prior year and current year amounts below for expenditures, revenue, transfers in, and transfers out. Use the amounts from Report 7 from prior and current years. Be sure to include any prior year revision amounts, if applicable.

An explanation is required if a variance amount equals or exceeds \$1 million AND the variance percentage equals or exceeds 10%. If a "YES" is indicated under "Explanation Required", input an explanation in the space provided. Submit this form to the SCO with the fund's year-end financial statements, even if all amounts are zero.

EXPENDITURES				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ 8,000,000.00	\$ 10,000,000.00	\$ 2,000,000.00	25%	YES
Explanation: Expenditure under 0001-1234-2012-001-10 increased as a result of budget increase in program 10 over prior year's budget by \$2,000,000 per 2012-13 Budget Act, Ch. XX, Stat. 2012				
<u>Submit TWO copies of this form.</u>				

REVENUE				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ 9,500,000.00	\$ 10,000,000.00	\$ 500,000.00	5%	NO
Explanation:				

TRANSFERS IN				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
-	-	-	0%	NO
Explanation:				

TRANSFERS OUT				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ 500,000.00	-	\$ (500,000.00)	N/A - CY is zero	NO
Explanation:				

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Checklists

Checklists:

Budgetary/Legal Basis Reporting:

The list of criteria below will assist in submitting both accurate and timely year-end financial reports.

- Department reports for funds must be received by the due dates specified on page 11.
- Revisions to reports must be received by the due date as listed on page 11.
- A certification letter is prepared for each fund in accordance with instructions on pages 30-32.
- All reports listed on page 18 or 19 must be submitted for the applicable fund type or listed in the certification letter as not applicable (“no activity”) if there is nothing to report.
- All amounts reported as in increase/decrease on the Pending Budget Revision, Executive Order, or Allocation Order line on the Final Reconciliation with Controller’s Accounts with Final Budget Report – Form 573 (Report No. 5) must include support documentation (i.e., a copy of the pending Budget Revision, Executive Order, or Allocation Order).
- All reports must include proper account numbers and titles, as shown in the Uniform Codes Manual, with no more than a 2% error ratio.
- Prior year accruals for Governmental cost and bond funds must be within 10% of actual revenues and expenditures realized in the current year.
- Report Nos. 1 and 3 do not contain transactions with zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- For nongovernmental cost funds, Report No. 7 does not contain transactions with zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- For all funds, except the General Fund, the difference between the ending fund balance (less reserve for encumbrances and the deferred payroll adjustment made by SCO) and the fund balance provided by the DOF, as it appears on the Fund Condition Statement within the 2014-15 *Governor’s Budget* (released January 10, 2014), cannot be more than \$100,000 and 3% variance, expressed as a percentage of the Governor’s Budget fund balance.
- You must provide a footnote to explain any abnormal accruals (Report Nos. 1 and 3) and abnormal balances (Report Nos. 7 and 8).
- The Material Variance Explanation Form has been submitted with detailed explanation of material variances. This will assist with the SCO/DOF fund reconciliations.
- Due To/From Other Funds/Appropriations Supplementary Information Form has been filled out correctly and amounts and accounts have been verified and reconciled with the other department(s) party to the transaction.
- On the Report No. 14, verify the purpose and authority is consistent with DOF approval or as authorized by law. Accounts closed during the reporting period should identify the closed date. Must include the signature of the department head as certification.

GAAP Basis Reporting:

- Draft reports audited by outside Certified Public Accounting firms must be received by October 1, 2013.
- Final reports audited by outside Certified Public Accounting firms must be received by October 15, 2013.
- Information must not have errors exceeding materiality level of **\$1.0 million**.
- GAAP adjustments and other information for all funds must be received by September 3, 2013.

THE FOLLOWING IS THE ACTUAL CRITERIA CHECKLIST USED BY THE SCO TO DETERMINE WHETHER A FUND HAS MET ALL THE NECESSARY FINANCIAL REPORTING REQUIREMENTS CONTAINED IN THIS PROCEDURE MANUAL.

FINANCIAL REPORTING CRITERIA CHECKLIST

Agency Code 0130

Fund No. 0001

Fund Type G

Analyst Kpunnikul

BUDGETARY/LEGAL BASIS REPORTING CRITERIA

The following criteria are used to determine whether or not a fund meets the requirements for Financial Reporting. Any 'No' answer indicates disqualification. Requirements are also detailed in the Budgetary/Legal Basis Year-End Financial Reports Procedure Manual at http://www.sco.ca.gov/ard_state_accounting.html

- | | | | |
|---|-------------------------------------|--------------------------|-------------------------------------|
| | Yes | No | N/A |
| 1. The Budgetary Reports were received on <u>7/15/2013</u> . Was that on or before the due date?
July 31, 2013 - General Fund, SFEU, and Feeder Funds
August 20, 2013 - All Other Funds | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Certification Letter format is correct, and includes the following: contact name, phone number, email address, agency name, organization code, one fund name, one fund number..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. All required reports were received or noted on certification letter..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Authorized report format was used..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Debits equal credits..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. CalSTARS CSYDB3-1 Report entries are free of errors that require further SCO action to clear.... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Total error rate is less than or equal to 2%..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Possible Errors	
Wrong account numbers *	No agency/fund number on first page *
"SCO Only" box used *	"0"s present in Encumbrance column **
Amount entered on wrong line *	"0"s present in Amount column **
Subsidiary accounts missing *	Symbols such as "\$", "-", or "(" used **
* counted as 1 error PER infraction	
** counted as 1 error for ALL infractions	

Error Calculation	
Cursory Errors	0
Error Suspense Errors	0
Total Errors	0
Divided by Total Entries	0
Error %	

- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| | Yes | No | N/A |
| 8. Final revision received on <u> </u> . Before due date listed in Criteria 1?..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of expenditures incurred in the current year..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of revenues realized in the current year..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. (All Funds except 0001) Is the ending fund balance in the Annual Report within \$100,000 and 3% of the ending fund balance in the Governor's Budget Fund Condition Statement | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. GL accounts 1410 and 3114 (Due To/From Other Funds) include the Due From and Due To Supplementary Information Form identifying the related organization Code(s)..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13. GL accounts 1420 and 3115 (Due To/From Other Appropriations) have subsidiary accounts identifying the related organization code(s)..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 14. Supporting documentation and/or footnotes are provided for all accounts with abnormal balances on Report 7..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. Supporting documentation is provided for any amount listed on the Report 5 as a pending Budget Revision, Executive Order, Allocation Order, etc..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. Material Variance Explanation Form included..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

GAAP BASIS REPORTING CRITERIA

- | | |
|---|--------------------------|
| 17. Were GAAP adjustments and/or audit reports submitted on time?..... | No |
| | <input type="checkbox"/> |
| September 3, 2013 - GAAP adjustments, Proprietary fund statements, Note information, Statement of Changes in Assets and Liabilities, etc. | |
| October 1, 2013 - Draft Audit or October 15, 2013 - Final Audit, if draft received by 10/1 | |

Notes/Errors

THIS AGENCY MEETS ALL FINANCIAL REPORTING CRITERIA

Yes No N/A
☒ ☐ ☐

Financial Report Review (Analyst Initials)	1st	2nd	3rd	4th
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FINANCIAL REPORTING CRITERIA CHECKLIST

Checklists (cont.):

Year-End Reports Checklist

Purpose

The *Year-End Reports Checklist*, is for use by departments to ensure the year-end reports are accurate and complete and comply with instructions set forth in this manual.

- _____ 1. Department name, org code, fund name, and fund number appear on all reports.
- _____ 2. Reports have been prepared for all funds that had activity during the reporting year and/or balances on June 30.
- _____ 3. Department obtained prior approval from the State Controller's Office (SCO) to use computer-generated year-end reports.
- _____ 4. Reports for Bond Funds and Special Deposit Funds have been prepared for **each subfund. For the Special Deposit Fund, include a consolidated report.**
- _____ 5. Reports have been prepared for Non-Treasury Trust (NTT) Funds; Fund No. 0990 (i.e., money or property held in trust by a state department that is not required to be deposited in a fund in the State Treasury).
- _____ 6. "SCO Use Only" areas on Report Nos. 1, 3, and 5 are left blank, unless something is pre-printed in that area.

Certification Letter:

- _____ 1. Only one fund is listed on the cert letter, with the exception of bond fund sub-funds.
- _____ 2. Department name and org code appear on the letter as well as the **mailing address, names of the department Director and Chief of Accounting and their respective e-mail addresses.**
- _____ 3. Fund name and number.
- _____ 4. All required reports are listed for each fund. If there are no amounts to report, include the statement "No Activity to Report" beside the appropriate report name.
- _____ 5. Contact name, phone number, and **e-mail address** are listed for each fund.
- _____ 6. Included on the letter is a statement certifying the listed reports as being true and correct and signed by the officer responsible for fiscal administration. See SAM Section 7951 for an example of the certification statement.

Year-End Reports Checklist (cont.):

Certification Letter (cont.):

- _____ 7. On each of your fund certification letters identity the fund that will include your department's Report of Accounts Outside the State Treasury System – Report No. 14 (Form 445 – Revised 06/2013) and your department's Statement of Capital Assets (Report No. 19) with its fund reports.

Report of Accruals to Controller's Accounts (Report No. 1):

- _____ 1. Department name, four-digit org code, fund name, and fund number appear on every page.
- _____ 2. All amounts appear in dollars and cents and without dollar signs.
- _____ 3. Amount and encumbrance columns are left blank for accounts without accruals and encumbrances.
- _____ 4. Total debits equal total credits for accruals and encumbrances.
- _____ 5. Credit amounts appear without brackets or minus signs.
- _____ 6. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 7. For accruals to Due from Other Funds (GL 1410) and Due to Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your supplementary Due To/From org code information using the example on page 52 of this manual.
- _____ 8. If you have short term loans accruals for Inter-fund Loans Receivable (GL 2170) and Inter-fund Loans Payable (GL 4050), subsidiary numbers are shown reflecting the fund number of the other fund involved.
- _____ 9. The unencumbered amount Due from Other Funds (GL 1410.XXXX) agrees with the unencumbered amount Due to Other Funds (GL 3114.XXXX) in the related fund. Use format example on page 52 of this manual. Submit **two copies** of the Due To/From Other Funds/Appropriations Supplementary Information form to the SCO - one hardcopy and one electronic copy (MUST be in EXCEL).
- _____ 10. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number.
- _____ 11. ***Reminder:*** A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- _____ 12. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 13. Prepayments to the Service Revolving Fund (GL 1730.0666) are not included on the report.
- _____ 14. Encumbrance amount to a nominal account is equal to or less than the accrual amount. Debit and credit signs for encumbrances are the same as the related accruals.
- _____ 15. Encumbrances reported for assets and liabilities do not exceed the related accruals.
- _____ 16. Follow the criteria for reporting encumbrance, beginning on page 88 of this manual.
- _____ 17. *Reminder.* For encumbrances funded by reimbursements, encumbrances are reported for the reimbursement account and corresponding receivable account.
- _____ 18. Accruals are not reported for Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350).
- _____ 19. Accruals and/or encumbrances to accounts not preprinted on Form 571C are posted to Form 571D.
- _____ 20. No expenditure or transfer accruals are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 21. Accruals for abatements or reimbursements to reverted appropriations are credited to Refunds to Reverted Appropriations. The fiscal year should be prior year.
- _____ 22. Accruals on Forms 571A, 571B, and 571A/B agree with column totals on Report No. 2. (The Deferred Credits column may contain accruals for more than one general ledger account, which should be included on these forms as separate entries.)
- _____ 23. Accruals on Forms 571A, 571B, and 571A/B agree with the general ledger account balances on the Post-Closing Trial Balance (Report No. 8) and the Pre-Closing Trial Balance (Report No. 7), excluding the nominal accounts and Fund Balance--Clearing or amounts already on the Controller's balances.
- _____ 24. Accruals on Forms 571C and 571D agree with the Net Total Accruals per Agency column on Report No. 2, but with the opposite signs.

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- _____ 25. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the accrual amount does not include amounts previously remitted to the SCO; the amount reported should only include the amount remaining in General Cash as of June 30.
- _____ 26. Department General Cash (GL 1110) has a debit balance.
- _____ 27. General Ledger account number agrees with account description.
- _____ 28. Surplus Money Investment Fund (SMIF) quarterly or semi-annual interest earned as of June 30 is accrued.
- _____ 29. For every amount, there is a "D" or "C" listed in the "D/C" column.
- _____ 30. No accruals are posted for the following: Categories 94, 95, 96, 98 and 99.
- _____ 31. Program 99 has a zero balance.

Accrual Worksheet (Report No. 2):

- _____ 1. Column totals agree with the general ledger account balances on Report No. 8 and Report No. 7, excluding the nominal accounts and Fund Balance--Clearing. (The Deferred Credits column on Report No. 2 may contain accruals for more than one general ledger account.)
- _____ 2. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the amount reported does not include the amounts previously remitted to the SCO; the amount reported should only include the amount in General Cash.
- _____ 3. Prepayments to Other Funds (GL 1730) and Advances to Other Funds (GL 2120) are included on Report No. 2.
- _____ 4. Provision of Deferred Receivables, Revenue Collected in Advance, Reimbursements Collected in Advance, Uncleared Collections, and the Revolving Fund Adjustment lines should net to zero in the Net Total Accruals per Agency column.
- _____ 5. For shared funds of non-administrating departments, the grand total agrees with Fund Balance--Clearing GL 5570 (opposite sign) on Report No. 8.

Year-End Reports Checklist (cont.):

Accrual Worksheet (Report No. 2) (cont.):

- _____ 6. The grand total agrees with the total “Apply Current Year Accruals” on the Report No. 15 - Reconciliation of Agency Accounts w/ Transactions per State Controller

Adjustments to Controller's Accounts (Report No. 3):

- _____ 1. For governmental cost funds, the amounts reported should be the adjustments submitted to the SCO after July 1 that are needed to correct the account balances on the SCO cash basis records as of June 30.
- _____ 2. For nongovernmental cost funds, the amounts reported should be the adjustments to the following general ledger accounts that are needed to bring the department's balances into agreement with the SCO cash basis records as of June 30 for: Cash in State Treasury (GL 1140), Deposits in Surplus Money Investment Fund (GL 1210), Prepayments to Other Funds (GL 1730), and Advances to Other Funds (GL 2120).
- _____ 3. Department name, four –digit org code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Amount column is left blank for accounts without adjustments.
- _____ 6. Total debits equal total credits.
- _____ 7. Credit amounts appear without brackets or minus signs.
- _____ 8. General Ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 9. For adjustments to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format the org code information on the Due To/From Other Funds/Appropriations form using the example on page 52 of this manual.
- _____ 10. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 11. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.

Year-End Reports Checklist (cont.):

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- _____ 12. For governmental cost funds only, adjustments to accounts not preprinted on Form 576B are posted to Form 571D.
- _____ 13. For governmental cost funds only, no adjustments are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 14. Attachments explaining the adjustments (e.g., copy of the SCO Transaction Request form) accompany the Report No. 3, with each adjustment on the Report No. 3 cross-referenced to the appropriate attachment.
- _____ 15. Adjustment amount(s) on Form 576-B agrees with the adjustment amount(s) reported on Report Nos. 5 and 15 and the supporting attachments.
- _____ 16. Font size for accounts and amounts is no smaller than 10.

Revisions to Year-End Reports:

- _____ 1. 1.This report contains the revisions needed to correct the amounts previously submitted on Report Nos. 1, 3 (GC Funds) or 7 (NGC Funds). Do not submit another complete set. Submit only the reports affected by the change(s). For nongovernmental cost funds, the amount on the revision form should only be the *difference* between the original amount as reported for a specific GL account on the original Pre-closing Trial Balance (Report No. 7) and the correct amount.
- _____ 2. The amounts on this report, plus the amounts on the Report Nos. 1 and 3 that were originally submitted to the SCO, agree with the department's revised balances.
- _____ 3. Department name, four-digit org code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Total debits equal total credits.
- _____ 6. Credit amounts appear without brackets or minus signs.
- _____ 7. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 8. For revisions to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your Due To/From Other Funds/Appropriation Form using the example on page 52 of this manual.

Year-End Reports Checklist (cont.):

Revisions to Year-End Reports (cont.):

- _____ 9. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 11. Attachments explaining the revisions accompany this report with each adjustment on the report cross-referenced to the appropriate attachment.
- _____ 12. Get approval from SCO before submitting Revisions, if they have to be submitted after the due date.
- _____ 13. Only material amounts per SAM section 7981 should be submitted as revisions.

Final Statement of Revenue (Report No. 4):

- _____ 1. Only current year revenue is reported.
- _____ 2. Revenues agree with the current year revenues on Report No. 15.
- _____ 3. Total revenue agrees with current year revenue (GL 8000) on Report No. 7 (not applicable to CALSTARS departments since both current year and prior year revenues are combined in GL 8000).
- _____ 4. Accruals agree with Report No. 1, Forms 571C and 571D.
- _____ 5. Adjustments to Controller's Accounts agree with Report No. 3, Form 576B.

Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report No. 5):

- _____ 1. Preprinted amounts are not altered.
- _____ 2. If the department does not agree with any preprinted amount, a footnote is provided to indicate the amount per the department's records.
- _____ 3. All amounts appear in dollars and cents.
- _____ 4. Adjustments to Controller's accounts agree with Report No. 3, Form 576B.
- _____ 5. Accruals agree with Report No. 1, Forms 571C and 571D.
- _____ 6. Adjustment to Controller's accounts and accruals are posted to both the expenditure column and the appropriation balance column.

Year-End Reports Checklist (cont.):

Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report No. 5) (cont.):

- _____ 7. Executive Orders and/or Budget Revisions approved by the Department of Finance by June 30 but not yet recorded on the Controller's records are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. See number 9 of these instructions on this page.
- _____ 8. Allocation orders not yet recorded on the Controller's records as of June 30 are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. See number 9 of these instructions on this page
- _____ 9. Include support documentation for amounts reported as in increase/decrease on the Pending Budget Revision, Allocation Order, or Executive Order line of the Final Reconciliation with Controller's Accounts with the Final Budget Report (Report No. 5), in the form of a copy of an executive order, allocation order, or budget revision.
- _____ 10. Expenditures agree with the corresponding expenditures on Report No. 15.
- _____ 11. Individual and total appropriation balance is zero or a credit amount.
- _____ 12. For CALSTARS departments, expenditure totals and appropriation balances agree with corresponding totals on Report No. 6 (reverting year appropriations = zero).

Pre-Closing Trial Balance (Report No. 7):

- _____ 1. All amounts appear in dollars and cents and without dollar signs.
- _____ 2. Amount column is left blank for accounts without amounts.
- _____ 3. Use "GLAN" as the column heading for the general ledger account numbers. See page 118 of this manual for an example.
- _____ 4. Total debits equal total credits.
- _____ 5. Credit amounts appear without brackets or minus signs.
- _____ 6. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 7. For Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. CALSTARS departments must attach Report GO2 "Subsidiaries on File". Format your Due To/From Other Funds/Appropriations Supplementary Information Form using the example on page 52 of this manual.

Year-End Reports Checklist (cont.):

Pre-Closing Trial Balance (Report No. 7) (cont.):

- _____ 8. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number. CALSTARS departments must attach Report GO2 "Subsidiaries on File."
- _____ 9. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero. CALSTARS departments must attach Report GO2 "Subsidiaries on File."
- _____ 11. Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350) are not shown on this report.
- _____ 12. For non-shared funds, Cash in State Treasury (GL 1140) and Deposits in SMIF (GL 1210) should be a debit balance and agree with SCO as of June 30. If a credit balance, a footnote is provided with an explanation.
- _____ 13. A footnote of the terms of any loan/interest payment(s) to be repaid within the year.
- _____ 14. A footnote is provided to explain abnormal general ledger account balances.
- _____ 15. Liabilities for Deposit (GL 3500) should equal zero or have a credit balance.
- _____ 16. Beginning Fund Balance (GL 5530) on the current year Report No. 7 equals the ending Fund Balance (GL 5530) as reported on the prior year's Report No. 8.
- _____ 17. A footnote is provided to explain abnormal balances for all real and nominal accounts.
- _____ 18. Two copies of the Material Variance Explanation Form are submitted.

Special Instructions for the Federal Trust Fund ONLY:

- _____ 1. Due From Federal Government (GL 1510) is used only in the Federal Trust Fund, or any other fund in which federal monies are directly deposited.
- _____ 2. Revenue should equal expenditures; inflows must equal outflows. All nominal accounts net to ZERO.
- _____ 3. Fund Balance-Unappropriated (GL 5530) must be zero unless money is being returned to the federal government in the upcoming fiscal year.
- _____ 4. A credit balance in GL 5530 is explained in a footnote.

Year-End Reports Checklist (cont.):

Special Instructions for the Federal Trust Fund ONLY (cont.):

- _____ 5. A debit balance in GL 5530 is an overdraft that must be corrected prior to submitting reports.
- _____ 6. Cash in State Treasury (GL 1140) must equal total of appropriation control "C" accounts and grant account (1944) "C" accounts.

Post-Closing Trial Balance (Report No. 8):

- _____ 1. Asset and liability amounts agree with Report No. 7.
- _____ 2. For non-shared funds, Fund Balance-Unappropriated (GL 5530) has a credit balance or zero balance.
- _____ 3. An explanation is provided for any deficit (debit) Fund Balance-Unappropriated (GL 5530).

Analysis of Change in Fund Balance (Report No. 9):

- _____ 1. The beginning fund balance agrees with the ending fund balance from the previous year's Report No. 9 (except for CALSTARS shared funds).
- _____ 2. A footnote is provided to explain adjustments that changed the previous year's ending fund balance.
- _____ 3. Receipts and disbursements agree with Report No. 7.
- _____ 4. The ending fund balance agrees with the fund balance (opposite sign) on Report No. 8.
- _____ 5. The fund balance for the Federal Trust Fund is zero.

Report of Accounts Outside the Treasury System (Report No. 14):

- _____ 1. Only one report has been prepared for the department and two copies sent to the SCO—one Excel version sent electronically and one hardcopy sent with the year-end reports. Indicate on each certification letter which fund's set of reports will include the Report No. 14 for your department.
- _____ 2. Department name and four-digit organization code is included on the report.
- _____ 3. If there are no accounts outside the State Treasury, this is indicated on the Report No. 14, as "No Accounts Outside the State Treasury" and as "No Activity to Report" on the certification letter. Include accounts closed during the fiscal year and specify the date of closure. **Must** be signed by the department head.

Year-End Reports Checklist (cont.):

Reconciliation of Agency Accounts With Transactions Per State Controller (Report No. 15)

- _____ 1. All amounts appear in dollars and cents.
- _____ 2. Amounts in the Transactions per Controller column agree with the balances on the Controller's records as of June 30.
- _____ 3. Amounts reflected in the Reverse Prior Year Accruals and Reverse Prior Year Adjustments to Controller's Accounts columns agree with the amounts reflected in the Apply Current Year Accruals and Apply Current Year Adjustments to Controller's Accounts columns, respectively, on the previous year's Report No. 15, including revision amounts submitted for the prior year.
- _____ 4. Amounts reflected in the Reverse Prior Year Adjustment Made by SCO agree with the amounts in the SCO's Prior Year Accrual Summary report, but with the opposite signs.
- _____ 5. Amounts reflected in the Apply Current Year Accruals column agree with the accruals on Report No. 2, but with the opposite signs.
- _____ 6. Amounts reflected in the Apply Current Year Adjustments to Controller's Accounts column agree with the adjustments on Report No. 3.
- _____ 7. Total of the left side of the report (Column G) agrees with the total of the Transactions for Agency Accounts columns on the right side of the report.
- _____ 8. Totals in the Transactions for Agency Accounts columns agree with the nominal account balances in Report No. 7.
- _____ 9. For shared funds, total of the Apply Current Year Accruals column agrees with the Fund Balance--Clearing (GL 5570) amount on Report No. 8 and the grand total on Report No. 2, but with the opposite sign.

Statement of Changes in Capital Assets (Report No. 18):

- _____ 1. A separate report has been prepared for each fund, except for proprietary and fiduciary funds that were acquired with non-General Fund monies. (see sample certification letters on pages 33-35 of this manual) Also, check the SAM manual for updates on the new reporting requirements for intangible assets as prescribed by GASB 51.
- _____ 2. Beginning balances agree with the previous year's ending balances.
- _____ 3. A footnote is provided if an adjustment to the beginning balance is needed.

Year-End Reports Checklist (cont.):

Statement of Changes in Capital Assets (Report No. 18) (cont):

_____ 4. Ending balances are debit amounts.

Statement of Capital Assets (Report No. 19):

_____ 1. Total of all capital assets of the department is reflected in the report.

_____ 2. Ending balance agrees with the total ending balances on all Report No. 18's. Also, check the SAM Sections 8615 and 8635 for the reporting requirements for intangible assets as prescribed by GASB 51.

_____ 3. Indicate on each certification letter which fund's set of year-end reports will include the Report No. 19 for your department.

Statement of Financial Condition (Report No. 20):

_____ 1. Amounts agree with Report No. 8.

Statement of Contingent Liabilities (Report No. 22):

_____ 1. Amounts on this report are not reflected in any general ledger account.

_____ 2. Report does not have fiscal year, appropriation, or funding information.

Checklists (cont.):

Financial Statement Checklist to Assist with DOF/SCO Reconciliation

The DOF and the SCO collaborate to reconcile each fund as it's presented in the *Governor's Budget* via a Fund Condition Statement with the fund as presented in the *Budgetary/Legal Basis Annual Report* via the Statement of Operations. In order to reconcile, the data reported by the departments to the SCO via their year-end financial reports must equal the data provided to the DOF via their budget documents. Department of Finance (DOF) issued **Budget Letter 13-02 on March 8, 2013 which addresses the *Budgeting and Accounting Relationship and Coordination***. SAM section 6400 (<http://sam.dgs.ca.gov>) specifies the importance that fund balance, revenues, expenditures, and other accounting data included in the past year's presentation of the *Governor's Budget* are equivalent in amount and classification with similar data published in the SCO's *Budgetary/Legal Basis Annual Report*. DOF will be conducting training for Departments to assist with the fund reconciliations - more information to come later.

The DOF designates an administering department for each fund. The administering department is responsible for the overall management of the fund. **Budget Letter 13.02 outlines the authority and responsibilities of a fund administrator for both non-shared and shared funds**, and is available on the DOF website at http://www.dof.ca.gov/budgeting/budget_letters/

The following checklist is provided to assist in your fund review process. It is a summary of the checklist the SCO uses when reviewing each fund's balance sheet and statement of operations, once the accruals from each of agency sharing a fund have been posted.

- _____ Current Year (CY) Beginning Fund Balance equals Prior Year (PY) Ending Fund Balance. Compare CY year Pre-Closing Trial Balance (Report 7) and PY Post-Closing Trial Balance (Report No. 8).
- _____ Fund balance is zero, if required. Some funds must have a zero fund balance at the end of each year (i.e. Federal Trust Fund, Local Revenue, and pass-through funds).
- _____ Assets, Expenditures, and Transfers-To are debits. Abnormal balances must have an explanation. See instructions on the page 23 for footnoting abnormal balances.
- _____ Liabilities, Revenues, and Transfers-From are credits. Abnormal balances must have an explanation. See instructions on page 23 for footnoting abnormal balances.
- _____ Transfers To/From match the transfers included in the Fund Condition Statement for each fund included in the *Governor's Budget* (GB). Typically, Fund Condition Statements for nongovernmental cost funds are not included in the GB. See GB located at: <http://20XX-XX.archives.ebudget.ca.gov/Enacted/agencies.html>
- _____ The Material Variance Explanation Form is completed, material amounts have been researched, a detailed explanation has been provided, and two copies of the form are included with the required year-end reports. The Material Variance Explanation Form can be found on our web site located at: http://www.sco.ca.gov/ard_reporting.html

Governmental Cost Funds

Budgetary/Legal Basis

Governmental Cost Funds:

On the budgetary/legal basis, there are two main fund groups: Governmental Cost Funds and Nongovernmental Cost Funds.

Governmental Cost Funds consist of those funds that receive revenues derived from taxes, licenses, and fees. Expenditures of these funds represent the cost of government. There are two major fund classifications in this group: the General Fund and Special Funds. The purpose of each fund classification is described below:

The ***General Fund*** is the main operating fund of the State consisting of moneys that are not required by law to be deposited in any other fund.

Special Funds are used to account for resources that are legally restricted for particular functions or activities of government. The following are classified as special funds:

- ***General Fund Special Accounts*** are legislatively created accounts within the General Fund to account for revenues that are restricted by law for specific purposes. The accounts are treated as special funds and are excluded from the General Fund for accounting and budgetary purposes.
- ***Feeder Funds*** are the depositories for the collection of major taxes prior to clearance to the General Fund. The resources and obligations of these funds that apply to the General Fund as of June 30 are included in Due from Other Funds. Resources and obligations remaining in any of these funds represent collections that were not available to the General Fund on June 30.
- ***Transportation Funds*** are used to account for revenues that are restricted by law to transportation and related public safety programs.
- ***Other Governmental Cost Funds*** are used to account for other revenues that are restricted by law for specific purposes.

Report of Accruals to Controller's Accounts (Report No. 1)

Purpose

The Report of Accruals to Controller's Accounts (Report No. 1) is a computer input document containing accrual transactions for amounts reflected in the department's records but not posted in the SCO cash basis accounts as of June 30. The accrual amounts are obtained from the Accrual Worksheet (Report No. 2), which provides departments with a uniform and systematic method of compiling the accruals.

Report No. 1 also contains the encumbrances included in the accruals entered on this report. Follow the specific instructions for reporting encumbrances, beginning on page 88 of this manual.

The amounts on Report Nos. 1 and 3 are combined with the amounts from the SCO cash basis accounts to produce the *Budgetary/Legal Basis Annual Report*.

Report No. 1 consists of the following forms:

Forms 571A and 571B: Designed to report accruals to asset and liability accounts. Commonly used general ledger account numbers are preprinted.

Form 571 A/B: Designed to report accruals to any asset or liability accounts not preprinted on Forms 571A or 571B.

Form 571C: Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.

Form 571D: Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts not preprinted on Form 571C (e.g., accruals to accounts that were reverted to the fund balance as of June 30 and were subsequently revived by the SCO, and/or accruals to accounts that were not set up on the SCO records by June 30).

Since Report No. 1 is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits for accruals and for encumbrances.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 1. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Forms 571A, 571B, and 571A/B

- | | |
|--|--|
| 1 Department Name and Number: | Enter department name and number. |
| 2 Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 Telephone Number: | Enter the contact person's telephone number. |
| 5 E-mail Address: | Enter the contact person's e-mail address. |
| 6 Account: | <ul style="list-style-type: none">• General Ledger account numbers for commonly used accounts are preprinted on Forms 571A and 571B. If the appropriate account number is not preprinted on these forms, enter the proper four-digit account number on Forms 571B or 571A/B using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below. |

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

6 Account (cont.):

- Enter the four-digit fund code immediately following the general ledger account numbers listed below to identify the other fund involved in an inter-fund transaction.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Inter-fund Loans Receivable

4050.XXXX Inter-fund Loans Payable

- Enter the four-digit org code of the department involved in the transaction as the subsidiary number immediately following the general ledger account numbers listed below, to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0".

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

The amount reported for either of the two general ledger accounts must not exceed the accrued amount of its related receivable.

- For all departments, the unencumbered amount of the Due from Other Funds (GL 1410.XXXX) must equal the related unencumbered amount of the Due to Other Funds (GL 3114.XXXX). Departments need to coordinate related amounts reported to ensure they equal.

Reminder

Using the format on page 52 of this manual as a guide, provide SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 1.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 7A Amount:** Post the total accruals from the Accrual Worksheet (Report No. 2) to the appropriate general ledger accounts. Do not post the amounts for Prepayments to Service Revolving Fund from Report No. 2 since the SCO records already reflect these balances.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 8A Encumbrances:**
- Follow the guidelines on reporting encumbrances, as outlined in this manual on pages 88-92.
 - Enter any encumbrance amounts that are included in the accruals reported in the "Amount" column. The encumbrance amount must not exceed the accrual.
 - Do not report encumbrances to General Ledger Account No. 3020, Claims Filed.
 - Do not report accruals for General Ledger Account Nos. 5350 (Reserve for Encumbrances) and 6150 (Encumbrances).
 - If the accruals less the encumbrance for accounts payable, GL 3010, is not a true accounts payable liability, it should be reclassified to the true liability GL account (s): 3114, 3115, 3220, and 3290, to avoid overstating accounts payable.
 - All accrued reimbursements that will fund the accrued encumbrances should remain in their respective asset accounts (1312, 1410, 1510, and 1590).
- 8B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrances" column is a debit and "C" when the amount is a credit. The encumbrance should have the same "D" or "C" sign as the corresponding accrued asset or liability.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 8C Net Debits/Credits:** Enter the net of the debits and credits of the "Encumbrances" column and identify as a "D" or "C."
- Form 571C*
- 9 Account Description:** The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
- Accruals for abatements or reimbursements to reverted accounts must be credited to Receipt Account No. 0500000, Refunds to Reverted Appropriations.
 - If there are accruals to accounts not preprinted on this form, add the accounts on Form 571D (see instructions for Form 571D). Do not add accounts on Form 571C.
- 10 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is printed in this column.
- 11 M:** This column is for State Controller's Office use only.
- 12 REF/ITEM:** The reference item corresponding to each disbursement, reimbursement, and transfer account is printed in this column.
- 13 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are printed in these columns. DO NOT post accruals to categories 94, 95, 96, 98, or 99.
- 14 T:** The appropriate letter identifying the account type, as shown below, is printed in the column.
- D – Disbursement Account
F – Reimbursement or "Amount Payable From" Account
T – Transfer to Other Funds Account
R – Receipt Account

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 15 SFUND:** The source fund corresponding to each reimbursement account is printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 16 B:** A number (1, 2, or 3) shown in this column indicates the account is blocked.
- 17 REV/OBJ:** The account number corresponding to each receipt account is printed in this column. The first space will be coded as a zero which is followed by the six-digit revenue code. (Form 571C)
- 18A Accrual Amount:** Post the net accruals from the Accrual Worksheet (Report No. 2) to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 18B D/C (Debit or Credit):** Enter a "D" when the amount in the "Accrual Amount" column is a debit and a "C" when the amount is a credit.
- 18C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 19A Encumbrances:**
- Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
 - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report No. 2).
 - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 19B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 19C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

Form 571D

- 20 Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.
- 21 FY:** Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account.
- 22 M:** This column is for State Controller's Office use only.
- 23 REF/ITEM:** Enter the reference item corresponding to each disbursement, reimbursement, and transfer account.
- 24 CAT through TSK:** Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement or reimbursement account. Do not post accruals to categories 94, 95, 96, 98 or 99.
- 25 T:** Enter the appropriate letter, as shown below, to identify the account type.
- D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account
- 26 SOURCE FUND:** Enter the source fund corresponding to each reimbursement account. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 27 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 28 SCO:** This space is for State Controller's Office use only.
- 29 Revenue/Object:** Enter the six-digit code for each receipt account. (Form 571D)
- 30A Amount:** Post the net accruals from the Accrual Worksheet (Report No. 2) to the appropriate disbursement, reimbursement, transfer, or receipt account.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 30B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 30C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 31A Encumbrances:**
- Follow the guidelines for reporting encumbrances as outlined in this manual, beginning on page 88.
 - Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
 - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report No. 2).
 - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 31B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 31C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C".

Report of Accruals to Controller's Accounts

June 30, 20XX

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SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agy
A			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	8A ENCUMBRANCES	8B	6 ACCOUNT	7A AMOUNT	7B
GENERAL CASH		D	1110	4,324.50	D
REVOLVING FUND CASH		C	1130		
CASH IN TRANSIT TO STATE TREASURY			1150		
CASH ON HAND			1190		
ACCOUNTS RECEIVABLE-ABATEMENTS			1311		
ACCOUNTS RECEIVABLE-REIMBURSEMENTS			1312	22,981.50	D
ACCOUNTS RECEIVABLE-REVENUE			1313		
ACCOUNTS RECEIVABLE-OTHER			1319	72.22	D
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS (CREDIT BAL)			1390		
DUE FROM OTHER FUNDS	22,102.62	D	1410 0890	31,933.15	D
DUE FROM OTHER APPROPRIATIONS (XXXX = four digit org code)			1420 XXXX		
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590		
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600 01315	75.00	C
EXPENSE ADVANCES			1710	1,046.22	D
Net Credits/Debits	8C 22,102.62	D	Net Credits/Debits	7C 60,282.59	D

Report of Accruals to Controller's Accounts

June 30, 20XX

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SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agy
A			

Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator	Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
ACCOUNTS PAYABLE	39,384.20	C	3010	44,439.94	C
CLAIMS FILED			3020	16,041.33	C
DUE TO OTHER FUNDS			3114	0121	C
DUE TO OTHER APPROPRIATIONS (XXXX = four digit org code)			3115	XXXX	C
DUE TO LOCAL GOVERNMENT			3220		
REVENUE COLLECTED IN ADVANCE			3410		
REIMBURSEMENTS COLLECTED IN ADVANCE			3420		
UNCLEARED COLLECTIONS			3730		
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND			1730	0602	
RESERVE FOR ARCHITECTURE REVOLVING FUND			5330	0602	
Net Credits/Debits	39,384.20	C	Net Credits/Debits	67,198.64	C

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A			

Report of Accruals to Controller's Accounts

June 30, 20XX

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Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator	Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
ACCOUNTS RECEIVABLE-DISHONORED CHECKS			1315	75.00	D
PROVISION FOR DEFERREDD RECEIVABLES			1600 01319	72.22	C
DUE TO OTHER FUNDS			3114 0666	8,371.97	C
Net Credits/Debits	0.00		Net Credits/Debits	8,369.19	C

REPORT NO: 1
PAGE NO: 1

CONTROLLER'S USE ONLY

CURSORY REVIEW

COMP. INPUT

COMP. INPUT
EXPENDITURES

REVENUES

WORKSHEET/ACC.ACCUM.

98

9	19A	19B	10	11	12	13					14	15	16	17	18A	18B
ACCOUNT DESCRIPTION	**ENTER**	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	**ENTER**	D/C
-----	-----	---	----	-	----	---	---	---	----	---	-	-----	-	-----	-----	---
A - CONTINUING PROGRAM COSTS	39,286.14	D	2011		001		10				D				70,851.65	D
UNALLOCATED REDUCTION			2011		001		97	20			D					
B - REIMBURSEMENTS	22,102.62	C	2011		001	90					F	0001000			54,914.65	C
A - CONTINUING PROGRAM COSTS	98.06	D	2010		001		10				D				3,672.74	D
B - REIMBURSEMENTS			2010		001	90					F	0001000				
MISCELLANEOUS REVENUE			2011								R		0161400		4,324.50	C
				</												

Report of Accruals to Controller's Accounts

June 30, 20XX

Page ___ of ___

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Agency Name and Number		Fund Name and Number	
Name of Contact Person, Title		Telephone Number	Email Address

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C
(20)	(31A)	(31B)	(21)	(22)	(23)	←		(24)		→	(25)	(26)	(27)	(28)	(29)	(30A)	(30B)
Net Debits/Credits	(31C)															Net Debits/Credits	(30C)

Reporting of Encumbrances

The Bureau of State Audits has concluded, in some instances, the Reserve for Encumbrances has been overstated. Therefore, we feel it would be helpful to clarify how and when encumbrance accruals should be reported.

- Make sure all encumbrances and liabilities have been thoroughly reviewed for validity according to the criteria as stated in the State Administrative Manual (SAM):

SAM section 8340 (Encumbrances) state encumbrances are commitments for expenditure and are estimated carefully to reserve the amount of the expected expenditures.

SAM section 8342.1 (Encumbrance of the Lag) states while many items can be encumbered from purchase estimates, printing estimates, leases, contracts, etc., many cannot.

SAM section 8343 (Capital Outlay) states agencies will encumber the estimated amounts of such expenditures (purchases of real property) by using Request for Purchase Order or Estimate Changes, Std. Form 96, as an internal accounting document.

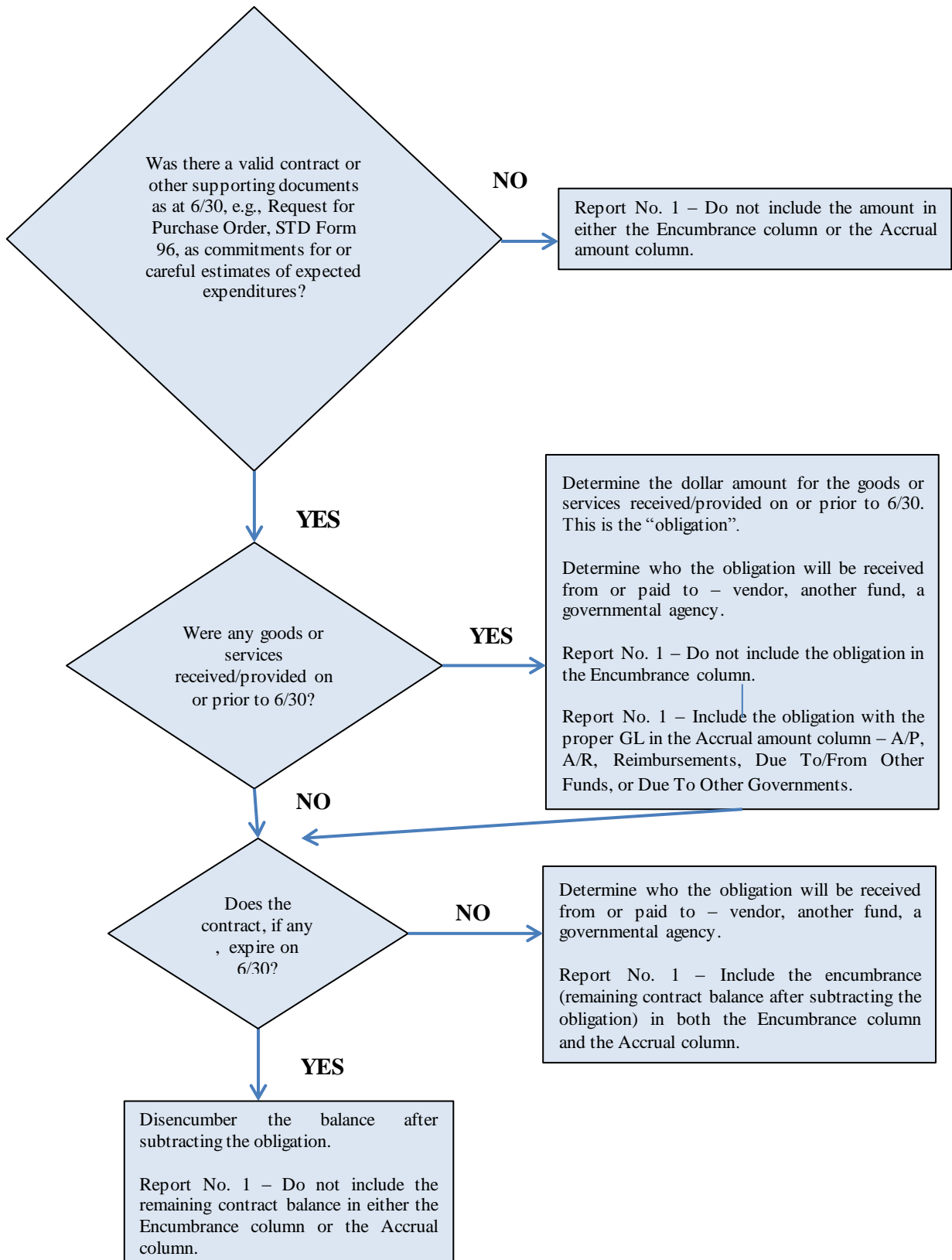
- The amount to be encumbered must be related to the amount of goods or services for which you have ordered but not yet received as of June 30 of the current fiscal year.
- If the contract expires on June 30, 2013, accrue as a liability only those goods or services that have been received on or prior to June 30th. Determine to whom the obligation will be paid and, if necessary, reclassify to the true liability general ledger account. Do not record them as an encumbrance.
- The difference of the amount between the accrual and the encumbrance is the invoice received and is either due to a vendor (use GL 3010 - Accounts Payable) or to another liability account. For example, any invoice received and **not** "due to vendors" is to be reclassified to the appropriate liability account(s) (e.g., GL 3220 – Due to Local Government or GL 3114.XXXX – Due to Other Funds). Likewise, the portion contracted for but not yet received (encumbered) should be in the encumbrance column on the same GL liability account line as the accrual amount. If the accrual is "Due to Local Government" (GL 3220) then the encumbrance should also be on the GL 3220 line, adjacent to the accrual amount on the Report No. 1.

Stated another way, if the accruals less the encumbrances for accounts payable (GL 3010) is not a true accounts payable liability, it should be reclassified to the true liability GL account(s) 3114.XXXX, 3115.XXXX, 3220, and/or 3290, to avoid overstating accounts payable.

- The amount encumbered cannot exceed the amount accrued on any given liability line on the Report No. 1.

An encumbrance flowchart, examples, and sample Report No. 1 are given on the following pages.

Encumbrance Determination Decision Tree



Reporting of Encumbrances (cont.):

Encumbrance Examples

Example 1:

<u>Contract with Vendor</u>	\$	125,000	
Cash Expenditures @ 6/30		25,000	
		100,000	(A) Accrual Amount
6/29 Invoices for June Services		40,000	(E) Obligation
	\$	60,000	(B) Encumbrance

Report No. 1 Entries:

Dr. Appropriation Expenditure	(A) \$	100,000	
Cr. Accounts Payable			\$ 100,000 (G)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Accounts Payable	(B)	60,000	
Cr. Approp. Expenditure			60,000
Dr. Unreserved Fund Balance		60,000	
Cr. Reserve for Encumbrance			60,000

Example 2:

<u>Contract with Local Government</u>	\$	50,000	(A) Accrual Amount
6/30 Invoice for June Service		20,000	(C) Obligation
	\$	30,000	(I) Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A) \$	50,000	
Cr. Due to Local Government			\$ 50,000 (H)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Due to Local Government	(I) \$	30,000	
Cr. Approp. Expenditure			\$ 30,000
Dr. Unreserved Fund Balance	\$	30,000	
Cr. Reserve for Encumbrance			\$ 30,000

Example 3:

<u>Contract with a Department</u>	\$	10,000	(A) Accrual Amount
6/29 Invoice for June		5,000	(D) Obligation
	\$	5,000	(K) Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A) \$	10,000	
Cr. Due to Other Funds			\$ 10,000 (J)

Reporting of Encumbrances (cont.):

Example 3: (cont.):

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Due to Other Funds	(K)	\$	5,000		
Cr. Approp. Expenditure				\$	5,000
Dr. Unreserved Fund Balance		\$	5,000		
Cr. Reserve for Encumbrance				\$	5,000

Example 4:

Contract Amount to Vendor	\$	40,000		
Cash Expenditure @ 6/30		9,000		
	\$	31,000	(A)	Accrual Amount
6/28 Invoice for June Services		7,000	(E)	Obligation
	\$	24,000	(B)	Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A)	\$	31,000		
Cr. Accounts Payable				\$	31,000 (G)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Accounts Payable	(B)	\$	24,000		
Cr. Approp. Expenditure				\$	24,000
Dr. Unreserved Fund Balance		\$	24,000		
Cr. Reserve for Encumbrance				\$	24,000

Report No. 1 and SCO Entries

Accounts Payable (GL 3010)				Appropriation Expenditure (GL 9000)			
(B)	\$	60,000	\$ 100,000 (G)	(A)	\$	100,000	\$ 60,000 (B)
(B)		24,000	31,000 (G)	(A)		50,000	30,000 (I)
			\$ 47,000 (E)	(A)		10,000	5,000 (K)
				(A)		31,000	24,000 (B)
				(F)	\$	72,000	

Due to Local Government (GL 3220)				Due to Other Funds (GL 3114.XXXX)			
(I)	\$	30,000	\$ 50,000 (H)	(K)	\$	5,000	\$ 10,000 (J)
			\$ 20,000 (C)				\$ 5,000 (D)

Vendor Contracts	\$131,000	A/P - Report No. 1
Department Contract	5,000	Due to Other Funds - Report No. 1
Government Contract	30,000	Due to Local Government - Report No. 1
Sum of (B)'s + (K) + (I):	119,000	*Encumbrances - Report No. 1
Sum of (E)'s:	\$47,000	Invoices received and due to vendors
Sum of (E)'s:	\$47,000	A/P due to vendors
(D):	5,000	Due to Other Funds - Report No. 1
(C):	20,000	Due to Local Government - Report No. 1
(F):	\$72,000	Total of All Expenditures (Obligations)

*Post the encumbrance to the appropriate (true) liability (GL)

DO NOT post the sum of all the encumbrances into Accounts Payable (GL 3010).

See Report No. 1 Example

Report of Accruals to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Sum of (G)'s:
100,000 + 31,000 = 131,000

Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator	Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT		AMOUNT	D C
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590			
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL			*1600			
EXPENSE ADVANCES	Sum of (B)'s: 60,000 + 24,000 = 84,000		1710			
ACCOUNTS PAYABLE						
	84,000.00	C	3010		131,000.00	C
CLAIMS FILED			3020			
DUE TO OTHER FUNDS	(K) → 5,000.00	C	3114	0002	(J) → 10,000.00	C
DUE TO OTHER APPROPRIATIONS			3115			
DUE TO LOCAL GOVERNMENT	(I) → 30,000.00	C	3220		(H) → 50,000.00	C
REVENUE COLLECTED IN ADVANCE			3410			
REIMBURSEMENTS COLLECTED IN ADVANCE			3420	Sum of (A)'s: 100,000 + 50,000 + 10,000 + 31,000 = 191,000		
UNCLEARED COLLECTIONS			3730			
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND			1730	0602		
The accruals less encumbrances = total expenditures [191,000 - 119,000 = 72,000]. The encumbrance total [119,000] is reclassified as <i>Reserve for Encumbrances</i> and shown as part of fund balance on the financial statements. and year-end.						
Net Credits/Debits	119,000.00	C	Net Credits/Debits		191,000.00	C

Sum of (B)'s:
60,000 + 24,000 = 84,000

Sum of (A)'s:
100,000 + 50,000 + 10,000 + 31,000 = 191,000

Accrual Worksheet (Report No. 2)

Purpose

The Accrual Worksheet (Report No. 2) provides departments with a uniform and systematic method of compiling year-end accruals. Accruals consist of the assets, liabilities, deferred credits, and the corresponding receipts and disbursements reflected in the department's records but not recorded in the SCO cash basis accounts as of June 30. Refer to SAM section 7953 for an illustration of Report No. 2.

The amounts in the "Net Accruals per Agency" column, the column totals for the assets and liabilities, and the amounts in the "Deferred Credits" column are posted to the appropriate accounts on the Report of Accruals to Controller's Accounts (Report No. 1).

Amounts "Due To" and "Due From" the same fund and/or appropriations should be posted separately and not netted together.

During the processing of Report No. 1, the SCO will refer to Report No. 2 to obtain additional information that may help resolve any discrepancies.

Program 99- Clearing Account for CALSTARS Agencies is a reserved program code and intended for, but not limited to, use with the CALSTARS Clearing Account or other Internal Service Funds such as the Water Resources Revolving Fund.

For more information regarding the use of program codes, go to the Uniform Codes Manual on the DOF's website: http://www.dof.ca.gov/accounting/uniform_codes_manual/

June 30, 20XX
Accrual Worksheet

Included year-end accruals pursuant to the State Administrative Manual	GENERAL CASH 1110	ACCOUNTS RECEIVABLE			DUE FROM OTHER FUNDS 1400	EXPENSE ADVANCES 1710	PRE- PAYMENTS TO OTHER FUNDS 1730	ACCOUNTS PAYABLE 3010	CLAIMS FILED 3020	DUE TO OTHER FUNDS 3110	DEFERRED CREDITS 1600/3400	NET TOTAL ACCRUALS PER AGENCY
		REIMB. 1312	DIS- HONORED CHECKS 1315	OTHER 1319								
Item 1234-001-0001												
State Operations, FY 11/12												
Chapter 33/11												
A. Program 10								(44,341.88)	(18,187.86)	(8,321.91)		(70,851.65)
B. Reimbursements		22,981.50			31,933.15							54,914.65
C. Prepayments							10,000.00					10,000.00
Item 1234-001-0001												
State Operations, FY 10/11								(98.06)		(3,574.68)		(3,672.74)
Chapter 712/10												
A. Program 10												
B. Reimbursements	4,324.50		75.00	72.22							(147.22)	4,324.50
Revenue FY 11/12												
161400 Miscellaneous Revenue												
Reimbursements Collected in Advance												
Provision for Deferred Receivables												
SUBTOTAL	4,324.50	22,981.50	75.00	72.22	31,933.15	0.00	10,000.00	(44,439.94)	(18,187.86)	(11,896.59)	(147.22)	(5,285.24)
Revolving Fund Adjustment						1,046.22		2,146.53	(3,192.75)			0.00
TOTALS PER AGENCY	4,324.50	22,981.50	75.00	72.22	31,933.15	1,046.22	10,000.00	(42,293.41)	(21,380.61)	(11,896.59)	(147.22)	(5,285.24)

Adjustments to Controller's Accounts (Report No. 3)

Purpose

The Adjustments to Controller's Accounts (Report No. 3) is a computer input document containing the adjusting entries needed to correct any errors on the SCO cash basis accounts as of June 30. The adjustments on Report No. 3 are for year-end reporting purposes only and are not used to correct the SCO cash basis records. Remember to submit a transaction request to the State Accounting Section at SCO for error corrections to department accounts.

Report No. 3 consists of the following forms:

Form 576A: Designed to report adjustments to asset and liability accounts. Commonly used accounts are preprinted.

Form 576B: Designed to report adjustments to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.

Since Report No. 3 is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment (e.g., transaction request, budget revision, etc.) explaining the reason for the adjustment. Each entry on Report No. 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column on Form 576A and to the right of the amount on Form 576B.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- | | |
|--|---|
| 1 Department Name and Number: | Enter department name and number. |
| 2 Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 Telephone Number: | Enter the contact person's telephone number. |
| 5 E-mail Address: | Enter the contact person's e-mail address. |

Adjustments to Controller's Accounts (Report No. 3) (cont.):

6 Account:

- Enter the proper four-digit account number on this form using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.
- Enter the four-digit fund code immediately following the general ledger account numbers listed below to identify the other fund involved in an inter-fund transaction.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Inter-fund Loans Receivable

4050.XXXX Inter-fund Loans Payable

- Enter the four-digit org code of the department involved in the transaction as the subsidiary number immediately following the general ledger account numbers listed below, to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0".

Reminder

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

The amount reported for either of the two general ledger accounts must not exceed the accrued amount of its related receivable.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 6 Account (cont.):**
- Use the format on page 52 of this manual to provide the SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 3.
- 7A Amount:** Post adjustments to the appropriate general ledger accounts. The amounts entered here should only be adjustments to correct the account balances on the SCO records as of June 30.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."

Form 576B

- 8 Account Description:**
- The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
 - If there is an error on the SCO records involving Prepayments to Other Funds, only the expenditures should be adjusted, not the Prepayments to Other Funds account.
 - If an adjustment is between accounts involving the same fund but different departments, the offsetting account to the appropriate disbursement, reimbursement, transfer, or receipt account is General Ledger Account No. 1420.XXXX, Due from Other Appropriations, or 3115.XXXX, Due to Other Appropriations. Include the four-digit org code as the subsidiary number.
 - If an adjustment is between accounts within the same fund and department, only the appropriate disbursement, reimbursement, transfer, or receipt accounts should be adjusted.
- Reminder:***
List four digit ORG code on the Due To/From Other Funds/Appropriations Supplementary Information Form

Adjustments to Controller's Accounts

(Report No. 3) (cont.):

- 9 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is printed in this column.
- 10 M:** This column is for State Controller's Office use only.
- 11 REF:** The reference item corresponding to each disbursement, reimbursement, and transfer account is printed in this column.
- 12 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are printed in these columns.
- 13 T:** The appropriate letter identifying the account type, as shown below, is printed in the column.
- D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account
- 14 SFUND:** The source fund corresponding to each reimbursement account is printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 15 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 16 REV/OBJ:** The account number corresponding to each receipt account is printed in this column. The first space will be coded as a zero, followed by the six-digit revenue code. (Form 576B)
- 17A Accrual Amount:** Post adjustments to the appropriate disbursement, reimbursement, transfer, or receipt account. The amounts entered should only be an adjustment to correct the account balances on the SCO records as of June 30.
- 17B D/C (Debit or Credit):** Enter a “D” when the amount in the “Amount” column is a debit and a “C” when the amount is a credit.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 17C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 18 Attachment No.:** Enter a number referring to the supporting documentation with the same number. Supporting documents are required for each adjusting entry. (e.g., copy of transaction request sent to accounting, etc.)

Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
B			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	6 ACCOUNT		7A AMOUNT	7B
				D C
DUE FROM OTHER APPROPRIATIONS	1420	4720	949.84	D
Net Credits/Debits			7C 949.84	D

FORM 576-b (03/1996)
CONTROLLER'S USE ONLY
DOCUMENT NO: DATE:

FUND: 0001000 GENERAL FUND

AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
MAILCODE: 1234

STATE CONTROLLER'S OFFICE

ADJUSTMENTS TO CONTROLLER'S ACCOUNTS
JUNE 30, 20XX

REPORT NO: 3
PAGE NO: 1
CONTROLLER'S USE ONLY _____
CURSORY REVIEW _____
COMP. INPUT _____
EXPENDITURES _____
REVENUES _____
WORKSHEET/ACC.ACCUM. _____

8	9	10	11	12			13	14	15	16	17A	17B	18	
ACCOUNT DESCRIPTION	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCUAL AMOUNT	D/C
-----	----	---	----	----	----	----	----	----	----	----	----	----	-----	---
A - CONTINUING PROGRAM COSTS	2011		001			10			D				949.84	C #1
UNALLOCATED REDUCTION	2011		001			97 20			D					
B - REIMBURSEMENTS	2011		001	90					F	0001000				
A - CONTINUING PROGRAM COSTS	2010		001			10			D					
B - REIMBURSEMENTS	2010		001	90					F	0001000				
MISCELLANEOUS REVENUE	2010		001						R		0161400			

17C NET DEBITS/CREDITS 949.84 C

STATE CONTROLLER'S USE ONLY		
DOCUMENT NO.	DATE C C C C M M D D	MSG Code
JE		

STATE OF CALIFORNIA
OFFICE OF THE STATE CONTROLLER
TRANSACTION REQUEST

STATE CONTROLLER'S USE ONLY	
TC Code	VERIFIED BY:
	DATE:

PAGE 1 OF

Agency:	Address:	Agency Document Number:
Governmental Advisory Board - 1234		

FUND	AGY	FY	M	REF / ITEM	FED CAT	P/N	C	CAT	PGM	ELE	COMP	TASK	ACCT	REV / OBJ	AMOUNT	D C	A T	O B	SOURCE FUND
0001	4720	2011		001					10						949.84	D	D		
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION				
Cor Sch 9466098 5-1-2012					Ch 33/11, Item 4270-001-0001														
0001	1234	2011		001					10						949.84	C	D		
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION				
Cor Sch 9466098 5-1-2012					Ch 33/11, Item 4270-001-0001														
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION				
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION				
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION				
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION				
TYPE OF TRANSACTION: Correction of claim schedule 9466098, dated 5-1-20XX, paid by warrant number 08-211186.															I hereby certify under penalty of perjury that I am the duly appointed, qualified, and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in accordance with all applicable provisions or restrictions in the Budget Act, Federal Regulations, or other statute pertaining to the particular appropriation.				
LEGAL AUTHORITY AND REASON FOR REQUEST:																			
The agency code referenced on the claim was 1234 but should have been 4720. Efforts have been taken to ensure all manually prepared claim schedules are reviewed prior to submission.																			
															AUTHORIZED SIGNATURE:				
															CONTACT PERSON: Bud G. Tary				
															PHONE FOR CONTACT: (916) 555-1234 DATE: 6/29/20XX				

NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

CA 504 PC VERSION (7/1999)

Attachment #1

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3)

Purpose

This report is a computer input document containing the revisions needed to correct the amounts previously submitted on the Report of Accruals to Controller's Accounts (Report No. 1) and/or the Adjustments to Controller's Accounts (Report No. 3). The amounts entered on this report, combined with the amounts originally submitted on Report Nos. 1 and 3, should bring the SCO balances into agreement with the department's revised balances. Submitting this report eliminates the need to submit a complete set of revised reports.

This report consists of the following forms:

Form 571E: Designed to report revisions to asset and liability accounts (real accounts).

Form 571F: Designed to report revisions to disbursement, reimbursement, transfer, and receipt accounts (nominal accounts).

Since this report is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Revisions to year-end reports are due by September 30, 2013. After this date, contact Salesni (Sal) Singh at (916) 322-4671 or email: sssingh@sco.ca.gov to receive approval to submit revisions.

For **Revisions sent prior to September 30, 2013**, submit the Report No. 3 Forms 571E and 571F by email to blfinrep@sco.ca.gov and do not send a hard copy. Also, include a certification letter for the revisions submitted to SCO by email. The certification letter should state "Revised".

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the revision. Each entry must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column of Form 571E and to the right of the amount on Form 571F.

Specific Instructions

The instructions below are followed by a blank form for Revisions to Accruals and Adjustments to Controller's Accounts. Each numbered item in the following instructions references a corresponding numbered field in the form.

Form 571E

- | | |
|--|---|
| 1 Department Name and Number: | Enter department name and number. |
| 2 Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 Telephone Number: | Enter the contact person's telephone number. |
| 5 E-mail Address: | Enter the contact person's e-mail address. |

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

- 6 Account:** Enter the general ledger account number from the original set of reports for the account being revised.
- 7A Amount:** Enter the adjustment needed to correct amounts previously submitted on Report Nos. 1 and/or 3.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C".
- 8A Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Report No. 1. The net encumbrance amount, after being revised by this adjustment, must not exceed the net accrual.
- 8B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit. The encumbrance should have the same D/C sign as the corresponding accrued asset or liability.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C".

Form 571F

- 1 Department Name and Number:** Enter department name and number.
- 2 Fund Name and Number:** Enter fund name and corresponding four-digit fund code.
- 3 Name of Contact Person and Title:** Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title.
- 4 Telephone Number:** Enter the contact person's telephone number.
- 5 E-mail Address:** Enter the contact person's e-mail address.
- 6 Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

- 7 FY through Revenue/Object:** Enter the disbursement, reimbursement, transfer, or receipt account number from the original set of reports that is being revised. DO NOT post to categories 94, 95, 96, 98, and 99.
- Note: The REVENUE/OBJECT is the six-digit receipt account. Follow instructions for Form 571D. (See page 81).
- 8A Amount:** Enter the adjustment needed to correct amounts previously submitted on Report Nos. 1 and/or 3.
- 8B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 9A Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Report No. 1. The net encumbrance amount must not exceed the total accrued "Payables" and "Due To's" after this revision.
- 9B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 9C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
D	20111010	0584	

Agency Name and Number (1) Governmental Accounting Advisory Board (1234)		Fund Name and Number (2) General Fund (0001)	
Name of Contact Person, Title (3) Bud G. Tary, Accounting Administrator		Telephone Number (4) 916-555-1234	Email Address (5) Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	(8A) ENCUMBRANCES	(8B)		(6) ACCOUNT	(7A) AMOUNT	(7B)	
		D	C			D	C
Net Credits/Debits		(8C)	0.00	Net Credits/Debits		(7C)	0.00

Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
D			

Agency Name and Number (1) Governmental Accounting Advisory Board (1234)		Fund Name and Number (2) General Fund (0001)	
Name of Contact Person, Title (3) Bud G. Tary, Accounting Administrator		Telephone Number (4) 916-555-1234	Email Address (5) Bud.G.Tary@gaab.ca.gov

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C
6	9A	9B							7							8A	8B

Final Statement of Revenue (Report No. 4)

Purpose

The Final Statement of Revenue (Report No. 4) provides departments with a method of reconciling the total revenue on the department records with the total revenue on the SCO records as of June 30. Refer to SAM section 7956 for an illustration of Report No. 4.

The Report must include the following:

- A listing of the revenue accounts and balances per the department's records. Only current year revenue accounts (e.g., 0161400 Miscellaneous Revenue) should be listed.
- The total revenue amount per the department's records. This total should agree with the amount recorded in General Ledger Account No. 8000.
- A reconciliation of the total revenue per the department's records with the total revenue per the SCO records as of June 30. Revenue accruals reported on the Report of Accruals to Controller's Accounts (Report No. 1) and/or adjustments reported on the Adjustments to Controller's Accounts (Report No. 3) will be reconciling factors.

On the Report No. 4, the total revenue per the SCO records must agree with the total revenue per the department's records.

The revenues per the department's records should agree with the revenues reported to the DOF on schedule 10R for inclusion in the *Governor's Budget*.

During the processing of Report Nos. 1 or 3, the SCO will refer to Report No. 4 to obtain additional information that may help resolve any discrepancies.

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 YEAR END STATEMENT OF REVENUE
 AS OF 06/30/XX

REPORT #4
 PAGE 1

ENY: 20XX FFY: 20XX
 FUND: 0001 GENERAL FUND

SOURCE	DESCRIPTION	ESTIMATED REVENUES	ACTUAL REVENUES	BALANCE
161400	MISCELLANEOUS REVENUE	0.00	30,192.12	30,192.12
*TOTAL FUND	0001	0.00	30,192.12	30,192.12

RECONCILIATION OF STATE CONTROLLERS REVENUE WITH STATEMENT OF REVENUE, JUNE 30, 20XX

TOTAL REVENUE PER STATE CONTROLLERS OFFICE ACCOUNTS \$ 25,867.62

RECONCILING FACTORS:

ACCRUALS PER REPORT OF ACCRUALS \$ 4,324.50

ADJUSTMENTS TO CONTROLLERS ACCOUNTS

\$ 4,324.50

TOTAL REVENUE PER STATEMENT OF REVENUE

30,192.12

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

"REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS
 PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS"

SIGNATURE OF OFFICER

BUD G. TARY
 ACCOUNTING ADMINISTRATOR

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5)

Purpose

The Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) provides departments with a method of reconciling the department's appropriation balances with the SCO balances as of June 30. Reconciling factors include the following:

- Expenditure accruals as reported on the Report of Accruals to Controller's Accounts (Report No. 1).
- Adjustments as reported on the Adjustments to Controller's Accounts (report No. 3).
- Pending Budget Revisions, Allocation Orders, and/or Executive Orders.

After these amounts have been posted by the SCO, the appropriation balances per the SCO records should agree with the appropriation balances per the department's records. A footnote is required to explain any differences between the department and SCO records. The expenditures per the department's records should agree with the expenditures reported to the DOF on Schedule 10 for inclusion in the *Governor's Budget*.

Departments will be provided with a computer-generated form which is available on the SCO website http://www.sco.ca.gov/ard_reporting.html for each appropriation that exists on the SCO records as of June 30. Departments may create their own Report No. 5 (Form 573) for appropriations that were effective prior to July 1, but were not set up on the SCO records by June 30. The form must be in the same format as the SCO's computer generated forms.

During the processing of Report Nos. 1 and 3, the SCO will refer to Report No. 5 to resolve any discrepancies.

All amounts reported as an increase/decrease of appropriation authority on the Final Reconciliation with Controller's Accounts with Final Budget Report, Report No. 5, for manual reports, or on the CSYDB3-1, for automated reports, must be substantiated by submitting supporting documentation. Support documentation will allow us to confirm the validity of an amount reported as an increase/decrease in appropriation. Line appropriation accounts with overdrafts must be corrected.

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

General Instructions

- Prepare a separate report for each appropriation.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 5. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 573

- | | |
|---|---|
| 1 Fund, FY, and Item: | A separate Report No. 5 should be used for each appropriation maintained by the SCO. |
| 2 June 30 Account Balance per State Controller's Records: | The total expenditure amount and the appropriation balance per SCO records as of June 30 are preprinted on this line. Do not alter these amounts. |
| 3 Reverse Prior Year Adjustment to Controller's Account: | The reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report No. 3) is preprinted in the expenditure column. Do not alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records. |
| 4 Reverse Prior Year Expenditures/ Reimbursements Accrued: | The reversal of the accruals reported on the previous year's Report of Accruals to Controller's Accounts (Report No. 1) is preprinted in the expenditure column. Do not alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records. |
| 5 Reverse Prior Year Corrections Made by SCO: | The reversal of the corrections made by the SCO to the previous year's Report No. 1 and/or Report No. 3 is preprinted in the expenditure column. Do not alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records. |

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

- | | | |
|-----------|---|--|
| 6 | Apply Current Year Adjustments to Controller's Accounts: | Enter the total current year adjustments to the appropriation as reported on the Adjustments to Controller's Accounts (Report No. 3), Form 576B. Enter the amount in both the expenditure and appropriation balance columns. |
| 7 | Apply Accruals per Report of Accruals to Controller's Accounts: | Enter the current year accruals for each category or program as reported on the Report of Accruals to Controller's Account (Report No. 1), Form 571C and 571D. Enter these amounts in both the expenditure and appropriation balance columns, with the exception of the Office Revolving Fund Advance (Category 97) accrual, which must be reported in the appropriation balance column only. |
| 8 | Pending Budget Revisions, Allocation Orders, Executive Orders: | <p>Enter an increase or decrease to the appropriation balance in the appropriation balance column for the following:</p> <ul style="list-style-type: none">• Executive orders dated June 30 or earlier that were issued by the DOF but not recorded by the SCO as of June 30 (per section 7957 of the SAM).• Budget Revisions that were approved by the DOF by June 30 but not recorded by the SCO.• Allocation orders not recorded by the SCO as of June 30.• <u>Supporting documents are included to support amounts reported on the pending budget revision, allocation order, and executive order line.</u> Copies of allocation orders, budget revisions, and executive orders are considered appropriate and substantial support documentation. |
| 9 | Advances to Other Funds and Prepayments to Service Revolving Fund: | The balance on the SCO records for Categories 96 and 98, and/or 99 is preprinted in the appropriation balance column. Do not alter this amount. Fill in the balance on the SCO records for Categories 94, 95, and 99 in the appropriation balance column, if applicable. |
| 10 | Total: | Enter the net total for each column. The total of the appropriation balance column must be zero or have a credit balance. |

FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573(04/1997)

REPORT NO: 5
JUNE 30 20XX

MAILCODE: 1234
AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
FUND 0001000 GENERAL FUND
FY: 20XX

1

CHAPTER NO. XX/XX

ITEM NO. 1234-001-0001

***** SCO USE ONLY *****		EXPENDITURES	APPROPRIATION BALANCE
** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	2	221,553.96	-5,446.04
** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	3		
** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	4		
** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	5		

APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	6	-949.84	-949.84
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	7		
SCO ACCOUNT CODE			

10	A - CONTINUING PROGRAM COSTS	70,851.65	70,851.65
97 20	UNALLOCATED REDUCTION		
90	B - REIMBURSEMENTS	-54,914.65	-54,914.65
98	PREPAYMENTS TO SERVICE REVOLVING FUND - OTHER SERVICES		9 -10,000.00
99			
	PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS	8	
	TOTAL	10 236,541.12	-458.88

Pre-Closing and Post-Closing Trial Balance (Report Nos. 7 and 8)

Purpose

The **Pre-Closing Trial Balance (Report No. 7)** provides the department's June 30 general ledger account balances for assets, liabilities, fund equity, receipts, and disbursements before the nominal accounts have been closed.

The **Post-Closing Trial Balance (Report No. 8)** provides the department's June 30 general ledger account balances for assets, liabilities, and fund equity accounts remaining after nominal accounts have been closed.

The balances in both reports reflect the accruals as reported on the Report of Accruals to Controller's Accounts (Report No. 1) and/or the adjustments as reported on the Adjustments to Controller's Accounts (Report No. 3). During the processing of Report Nos. 1 or 3, the SCO will refer to Report Nos. 7 and 8 to obtain additional information that may help to resolve any discrepancies.

Refer to SAM section 7962 Illustrations 1 and 2 for a sample of Report Nos. 7 and 8.

The **Fund Balance** of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount, with a credit balance on Report No. 8. Funds reporting a negative (debit) fund balance must provide a footnote on the Post-Closing Trial (Report No. 8) explaining the negative fund balance.

Abnormal balances on CALSTAR's Report Nos. 7 and 8 are being identified with an asterisk (*). The asterisk is there to assist departments with identifying the **abnormal balance(s) that will require an explanation**. The explanation can be included as a footnote on the report(s) or as an attachment. The explanation should be detailed, include legal citations, if applicable, and answer the question "why?".

NEW "Statewide Assessment" expenditures should be reported by the administering department of a fund:

The **administering department or fund administrator of a fund** has the responsibility to record and report Statewide Assessment expenditures, although the expenditures are charged under other ORG code(s) for the following statewide projects: SCO – GAAP, SCO – MyCalPAYS, FI\$Cal, and DOF – FSCU. These expenditure assessments are the shared costs associated with statewide projects.

Please note that for shared funds, only the administering department will record and report these statewide assessments.

Pre-Closing and Post-Closing Trial Balance (Report Nos. 7 and 8) (cont.):

Also, refer to the instructions on the Report No. 15.

- For a **Non-CALSTARS** administering department, "Statewide Assessment" expenditures: will be reported in the Expenditure GL 9000 column on the Report No. 15. Total expenditures reported on the Report No. 7 must agree with the total expenditures reported on the Report No. 15.
- For a **CALSTARS** administering department submitting manual financial reports, "Statewide Assessment" expenditures will not be reported on the Report No. 7, but will be reported in the "Statewide Assessment" column on the Report No. 15.

Total expenditures reported on the Report No. 7 must agree with the total amount in the expenditure column of the Report No. 15.

CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transactions.

CSTARG02 4220 (DEST: A1 SHL1) PY **0(ORG)*****1(FUND)* FND(ALL)***** RUN DATE: 07/24/09 TIME: 06:30:XX *CALSTARS
 PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 PRE-CLOSING TRIAL BALANCE
 AS OF 06/30/XX

(REPORT 7)
 PAGE 1

FUND: 0001 GENERAL FUND		DEBITS		CREDITS	
GLAN	DESCRIPTION	DEBITS		CREDITS	
1110	GENERAL CASH	4,324.50		0.00	1110
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS	22,981.50		0.00	1312
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS	75.00		0.00	1315
1319	ACCOUNTS RECEIVABLE OTHER	72.22		0.00	1319
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	31,933.15		0.00	1400
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00		147.22	1600
1710	EXPENSE ADVANCES	1,046.22		0.00	1710
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS	10,000.00		0.00	1730
3010	ACCOUNTS PAYABLE	0.00		44,439.94	3010
3020	CLAIMS FILED	0.00		16,041.33	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00		15,089.34	3110
3400	ADVANCE COLLECTIONS	0.00		23,990.82	3400
5570	FUND BALANCE--CLEARING ACCOUNT	0.00		164,566.07	5570
8000	REVENUE/OPERATING REVENUE	0.00		30,192.12	8000
8100	REIMBURSEMENTS	0.00		134,247.07	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	358,281.32		0.00	9000
*TOTAL FUND 0001		428,713.91		428,713.91	

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

BUD G. TARY
 TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
 TITLE OF OFFICER

CSTAR002 4220 (DEST: A1 SHL1) PY **0(ORG)***** 1(FUND)* FND(ALL)***** RUN DATE: 07/24/09TIME: 06:30:XX *CALSTARS
 PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 POST-CLOSING TRIAL BALANCE
 AS OF 06/30/XX

(REPORT 8)
 ***** PAGE 1

FUND: 0001 GENERAL FUND		DEBITS		CREDITS		GLAN		SUBSID FILE GL ACCOUNT	
GLAN	DESCRIPTION								
1110	GENERAL CASH	4,324.50		0.00		1110			
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS	22,981.50		0.00		1312			
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS	75.00		0.00		1315			
1319	ACCOUNTS RECEIVABLE OTHER	72.22		0.00		1319			
1410	DUE FROM OTHER FUNDS OR APPROPRIATIONS	31,933.15		0.00		1410		1400	
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00		147.22		1600		1600	
1710	EXPENSE ADVANCES	1,046.22		0.00		1710			
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS	10,000.00		0.00		1730			
3010	ACCOUNTS PAYABLE	0.00		44,439.94		3010			
3020	CLAIMS FILED	0.00		16,041.33		3020			
3114	DUE TO OTHER FUNDS	0.00		11,564.72		3114		3110	
3115	DUE TO OTHER APPROPRIATIONS WITHING THE SAME FUND	0.00		3,524.62		3115		3110	
3400	ADVANCE COLLECTIONS	0.00		23,990.82		3400			
5570	FUND BALANCE--CLEARING ACCOUNT	29,276.06	*	0.00		5570			
*TOTAL FUND 0001		99,708.65		99,708.65					

*Add footnote here for the abnormal fund balance

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

JANE SMITH
 TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
 TITLE OF OFFICER

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15)

Purpose

The Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) provides departments with a method of ensuring the accuracy and completeness of their revenue and expenditure accounts. The detailed revenue, expenditure, reimbursements, transfer in and transfer out accounts are summarized to the appropriate general ledger accounts and are reconciled with transactions per the State Controller. Refer to SAM 7976 Illustrations for a sample of Report 15.

During the processing of the Report of Accruals to Controller's Accounts (Report No. 1) and/or the Adjustments to Controller's Accounts (Report No. 3), the SCO will refer to Report No. 15 to obtain additional information that may help to resolve any discrepancies.

General Instructions

New

New

- Prepare a separate report for each fund
- Enter all amounts in dollars and cents
- Submit **two** copies
- Report with a minimum font size of 10, and on legal sized paper when necessary

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 15. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Report No. 15

- 1 Account:** Enter all nominal accounts including appropriation expenditures, reimbursements, revenue accounts, refunds to reverted appropriation, transfers in, transfers out and other accounts from the monthly reconciliation report.
- 2 Transactions per Controller (column A):** Enter the balances per the SCO records as of June 30.

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

- | | | |
|-----------|--|--|
| 3 | Reverse Prior Year
Adjustment to Controller's
Account (column B): | Enter the reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report No. 3), Form 576B. |
| 4 | Reverse Prior Year
Accruals (column C): | Enter the reversal of the accruals on the previous year's Report of Accruals to Controller's Accounts (Report No. 1), Forms 571C and 571D. |
| 5 | Reverse Prior Year
Corrections Made by
SCO (column D): | Enter the reversal of any prior year corrections made by the SCO to the Report of Accruals to Controller's Accounts (Report No. 1) and/or to the Adjustments to Controller's Accounts (Report No. 3). |
| 6 | Apply Current Year
Adjustments to
Controller's Accounts
(column E): | Enter the current year adjustments for each revenue or appropriation account as reported on the Adjustments to Controller's Accounts (Report No. 3), Form 576B. |
| 7 | Apply Current Year
Accruals (column F): | Enter the current year accruals for each revenue, expenditure reimbursement, transfer in and transfer out account as reported on the Report of Accruals to Controller's Account (Report No. 1), Forms 571C and 571D. |
| 8 | Total (column G): | Enter the total of columns A through F. |
| 9 | Appropriation
Expenditures
(column H): | Enter the amount from the total in column G that applies to General Ledger Account No. 9000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 10 | Reimbursements
(column I): | Enter the amount from the total in column G that applies to General Ledger Account No. 8100. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 11 | Revenue (column J): | Enter the amount from the total in column G that applies to General Ledger Account No. 8000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 12 | Refunds to Reverted
Appropriations
(column K): | Enter the amount from the total in column G that applies to General Ledger Account No. 9891. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

- | | | |
|----|---|---|
| 13 | Prior Year
Appropriation
Adjustments
(column L): | Enter the amount from the total in column G that applies to General Ledger Account No. 9896. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 14 | Prior Year Revenue
Adjustments (column M): | Enter the amount from the total in column G that applies to General Ledger Account No. 9892. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 15 | Operating Transfers In
(column N): | Enter the amount from the total in column G that applies to General Ledger Account No. 9811. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 16 | Operating Transfers Out
(column O): | Enter the amount from the total in column G that applies to General Ledger Account No. 9812. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 17 | Statewide Assessments
(column P):

NEW | <p>Enter the amounts for statewide assessments: SCO- GAAP, SCO - MyCalPAYS, FI\$Cal, and DOF – FSCU Assessments, that are charged against the fund by departments other than your own department Org Code. The SCO journal entry for these assessments will display the Org Code of the department assessing the charges (e.g., 0840 for SCO, 8860 for DOF). Do not include statewide assessments on the Report No. 15 for charges recorded against your department's Org Code, as these types of assessments are charged to your department's appropriations (e.g. Pro Rata).</p> <p>CALSTARS administering departments which submit manual reports will enter the statewide assessments in a separate column on the Report No. 15; this column is independent of other figures on the Report No 15. Total amount in the "Appropriation Expenditure" column on the Report No. 15 must agree to total expenditures (GL 9000) Report No. 7. CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transactions.</p> |

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

**17 Statewide Assessments
 (column P) (cont.):**

NEW

Non-CALSTARS administering departments will record the statewide assessment as an expenditure and enter the statewide assessment in the "Appropriation Expenditures" column on the Report No. 15. Total amount in the "Appropriation Expenditure" column on Report No. 15 must agree to total expenditures on the Report No. 7.

Include all nominal general ledger accounts: A column must be included for each nominal general ledger account (GLs 8000-9999) that appears on the Pre-Closing Trial Balance and for statewide assessments, if applicable. Additional columns may be added or unused columns may be relabeled or deleted as needed.

Reconciliation of Agency Accounts with Transactions per State Controller
Report No. 15

Agency: Governmental Accounting Advisory Board (1234)
Fund: General Fund (0001)
June 30, 20XX

		Reverse Prior Year			Apply Current Year			Transactions For Agency Accounts										
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)		
	Transactions	Adj		Corrections	Adj			Appropriation	Reimburse-	Revenue	Refunds to	PY	PY	Transfer	Transfer	Statewide 1/		
	per	to		made	to			Expenditures	ments		Reverted	Approp	Revenue	In	Out	Assessments		
Account	Controller	Controller's	Accruals	by	Controller's	Accruals	Total	9000	8100	8000	9891	9896	9892	9811	9812			
①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯	⑰		
Item 1234-001-0001																		
State Operations, FY 11/12																		
Chapter 33/11																		
A. Program 10	297,710.31				(949.84)	70,851.65	367,612.12	367,612.12										
B. Category 90-Reimb	(76,153.35)					(54,914.05)	(131,071.00)		(131,071.00)									
C. Category 97 Revolving Fd Adv	10,000.00					(10,000.00)	0.00											
Item 1234-001-0001																		
State Operations, FY 10/11																		
Chapter 712/10																		
A. Program 10	39,607.06		(44,065.50)			3,672.74	(785.70)	(785.70)										
B. Category 90-Reimb	(20,816.61)		20,640.54				(176.07)		(176.07)									
C. Category 98 Adv to SRF	(14,000.00)		14,000.00				0.00											
Item 1234-001-0001																		
State Operations, FY 09/10																		
Chapter 1/09																		
A. Program 10	1,054.90		(9,600.00)				(8,545.10)	(8,545.10)										
B. Category 90-Reimb	(3,000.00)						(3,000.00)		(3,000.00)									
Revenue FY 11/12																		
161400 Misc	(25,867.62)					(4,324.50)	(30,192.12)			(30,192.12)								
SCO - GAAP Assessments																200.45		
DOF - FSCU Assessments																600.50		
FI\$Cal Assessments																10,300.00		
TOTALS PER AGENCY	208,531.69	0.00	(19,024.96)	0.00	(949.84)	5,285.84	193,842.13	358,281.32	(134,247.07)	(30,192.12)	0.00	0.00	0.00	0.00	0.00			

1/ To be reported by fund administering departments only. CALSTARS departments submitting manual reports will enter the statewide assessments in a separate column; this column is independent of other figures on the Report No. 15. Non-CALSTARS departments will enter the amounts in the Appropriation Expenditures column. The Expenditure column must agree with the amount on the Pre-Closing Trial Balance.

Nongovernmental Cost Funds

Budgetary/Legal Basis

Nongovernmental Cost Funds:

Nongovernmental Cost Funds consist of those funds that derive their revenue from sources other than general and special taxes, licenses, fees, or other state revenue. Expenditures of these funds do not represent a cost of government. There are three major fund classifications under this group: Bond Funds, Trust and Agency Funds – Federal, and Other Nongovernmental Cost Funds. The purpose of each fund classification is described as follows:

Bond Funds are used to record proceeds from the sale of general obligation bonds and expenditures for the acquisition of property and capital outlay. They are also used to record loans to local departments for the same purposes.

Trust and Agency Funds - Federal are used to account for moneys that are received from the federal government to be expended for specific purposes.

Other Nongovernmental Cost Funds are used to account for the following revenues and services:

- ***Public Service Enterprise Funds*** are used to account for transactions of state-operated enterprises that render services primarily to the public for a charge.
- ***Working Capital and Revolving Funds*** are used to account for the internal service activities rendered by a state department for other state departments or local governments.
- ***Retirement Funds*** are used to account for contributions received by various retirement systems, the investment of these moneys, retirement allowances, and refunds to members.
- ***Trust and Agency Funds - Other*** are used to account for moneys and properties that are received and disbursed by the State as trustee or custodian.

Pre-Closing Trial Balance (Report No. 7)

Purpose

The **Pre-Closing Trial Balance (Report No. 7)** provides the department's June 30 general ledger account balances for assets, liabilities, fund equity, receipts, and disbursements before nominal accounts have been closed. The June 30 balances reported for each account should include the June 30 *cash* balance, any *current year accruals*, *current year adjustments*, and *prior year accrual reversals*.

Note: Do not submit a Report of Accruals to Controller's Accounts (Report No. 1) for nongovernmental cost funds.

Non-CALSTARS departments: On the Pre-closing Trial Balance, Report No. 7, change the heading for the general ledger account numbers' column to read "**GLAN**". The heading change will assist our key-data operators by matching the field title they see on their input screen with the column heading on the input document (the Pre-closing Trial Balance). An example can be found on page 132 of this manual.

Since this report is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Revisions: If revisions are necessary after the initial Pre-Closing Trial Balance (Report No. 7) is submitted, follow the instructions on pages 104-108 for Form 571E focusing on general ledger accounts only.

Form 571F is not needed because detail accounts are only used for reporting *governmental* cost fund revenues, expenditures, and transfers.

Include on Form 571E only the **difference** between the original Pre-Closing Trial Balance (Report No. 7) account balances and the revised account balances. Debits and Credits must equal. A revised Pre-Closing Trial Balance (Report No. 7) is not required.

The Due To/From Other Funds/Appropriations Supplementary Information Form identifying the departments involved in any accruals for Due From Other Funds (1410.XXXX)/Appropriations (1420.XXXX) and Due To Other Funds (3114.XXXX)/Appropriations (3115.XXXX) is required.

The four-digit subsidiary org number of each department involved in the transaction is required for Due To Other Appropriations (GL 3115.XXXX) and Due From Other Appropriations (GL 1420.XXXX). The inclusion of the four-digit org code will assist our office with the reconciliation of the Due To's/From's. An example of this form is available on page 52 of this manual.

Footnotes for Abnormal Balances Explanation: An explanation for abnormal general ledger account balances is required as a footnote on the report or on a separate sheet of paper as an attachment. Refer to page 23 on reporting requirements for Abnormal Balances for Report Nos. 7 and 8.

Pre-Closing Trial Balance (Report No. 7) (cont.):

Long-Term Loan Disclosure: For all departments, a footnote disclosure is required for any interest or loan repayments due within the year. These repayments should be footnoted on Report No. 7. The footnote is necessary to fully disclose the fund's liabilities, and should include the terms of the loan, such as date of issuance, repayment terms, and interest rate; current loan balance and interest earned or owed.

Example: issue date - 7/14/XXXX, 5 year loan, due date - 6/30/XX, interest rate of 6%, amount of loan balance at current fiscal year-end - \$50,000.00, amount of loan repayments due within the year - \$20,000.00, interest owed/earned - \$3,000.00.

Report No. 7- Statewide Assessments *NEW*

For Non-CALSTARS Departments:

The administering department or fund administrator of a fund has the responsibility to include Statewide Assessment expenditures on the Report No. 7, although the expenditures are charged under other ORG code(s). These expenditure assessments are the shared costs associated with statewide projects such as SCO – GAAP, SCO – MyCalPAYS, FI\$Cal, and DOF – FSCU.

Pre-Closing Trial Balance (Report No. 7) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero balances.
- Total debits must equal total credits.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 7. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

- 1 Department:** Enter department name and number.
- 2 Fund:** Enter fund name and corresponding fund number.
- 3 Report:** Report name and report number.
- 4 Account No.:** Use the lowest level general ledger account numbers listed in the Uniform Codes Manual.

- For non-CALSTARS departments - to identify the other fund involved in an inter-fund transaction, enter the four-digit fund code and, if applicable, a three-digit subfund code immediately following the general ledger account numbers listed below.

Reminder:

List on Due To/From Other Funds/Appropriations Supplementary Information Form

1410.XXXX Due from Other Funds
 1730.XXXX Prepayments to Other Funds or Appropriations
 3114.XXXX Due to Other Funds
 5330.XXXX Reserve for Prepaid Items
 2170.XXXX Inter-fund Loans Receivable (replaces 1410.XXXX)
 4050.XXXX Inter-fund Loans Payable (replaces 3114.XXXX)

Pre-Closing Trial Balance (Report No. 7) (cont.):

4 Account No. (cont.):

Reminder:

List on Due To/From Other
Funds/Appropriations
Supplementary Information
Form

- Enter the four-digit org code immediately following the general ledger account numbers listed below to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- For nongovernmental funds, other than General Obligation Bond Funds, encumbrances should be posted to the appropriate liability accounts 3010, 3114, 3115, 3220, and 3290. CALSTARS departments should refer to the encumbrance reclassification process in the CALSTARS Procedure Manual, Volume 7, Chapter III, page 15.
- All accrued reimbursements that will fund the accrued encumbrances should be accrued under their respective asset accounts (1312, 1410, 1510, and 1590). Reclassification to proper asset accounts is needed for accrued reimbursements that fund encumbrance accruals if such reimbursements had been accrued all under General Ledger Account No. 1312, Accounts Receivable – Reimbursements.
- For Non-CALSTARS Report No. 7, use “GLAN” as the heading for the general ledger accounts’ column.
- For departments not on CALSTARS, enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a “0”.

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

- The amount reported for each general ledger account must not exceed the amount reported for the related receivable.

Pre-Closing Trial Balance (Report No. 7) (cont.):

- 4 Account No. (cont.):**
- For CALSTARS departments, submit the Subsidiaries on File Report (CSTARG02), which will provide the SCO with the required subsidiary numbers.
 - For CALSTARS departments, submit the Trial Balance of General Ledger Accounts (CSTARG01) for all shared nongovernmental cost funds. This report will provide the SCO with the ending balance of the Cash in State Treasury (General Ledger Account No. 1140) for shared funds.
 - Abnormal balances on the Report No. 7 (CSTARG02) will be identified with asterisks (*). The asterisk will assist departments with identifying the abnormal balances requiring an explanation.
- Reminder*
- For all departments, all Due From Other Funds (1410.XXXX) must equal the related Due To Other Funds (3114.XXXX) as reported by the other fund/department. Departments need to coordinate related amounts reported to ensure they equal. Using the Due To/From Other Funds/Appropriations Supplementary Information Form (format on page 52 of this manual) to provide SCO with the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report Nos. 3 and 7.
- 5 Account Title:** Complete the account title that corresponds with the respective account number.
- 6 Debit or Credit:** Post the department's balance for each general ledger account in the proper column.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234) 1
 FUND: SERVICE REVOLVING FUND (0666001) 2

PRE-CLOSING TRIAL BALANCE (REPORT NO.7) 3
 AS OF JUNE 30, 20XX

GLAN 4	ACCOUNT TITLE 5	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C.	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420.1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115.1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		59,084,279.01
8000	REVENUE		390,150,138.88
8110	INTRA-STATE REIMBURSEMENTS		53,463,651.00
9000	APPROPRIATION EXPENDITURES	438,870,713.05	
9030	CAPITAL OUTLAY	1,737,000.00	
9898	PRIOR YEAR ADJUSTMENTS	18,544,523.73	
TOTAL		701,932,525.23	701,932,525.23

Reminder:
 Four-digit
 Org code
 required

The
 Nominal
 Accounts
 will be
 closed to
 fund
 balance.

Post-Closing Trial Balance (Report No. 8)

Purpose

The Post-Closing Trial Balance (Report No. 8) provides the department's June 30 general ledger account balances for assets, liabilities, and fund equity accounts after the nominal accounts have been closed. During the processing of Report No. 7, the SCO will refer to the Report No. 8 and its supporting documentation to help resolve any discrepancies.

The Fund Balance of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount. Funds reporting a negative fund balance must provide a footnote on the Post-Closing Trial Balance (Report No. 8) explaining the negative fund balance. Refer to page 23 on reporting requirements for Abnormal Balances Explanation for Report Nos. 7 and 8.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
FUND: SERVICE REVOLVING FUND (0666001)

POST-CLOSING TRIAL BALANCE (REPORT NO. 8)
AS OF JUNE 30, 20XX

GLAN	ACCOUNT TITLE	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420.1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115.1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		43,545,832.11
TOTAL		242,780,288.45	242,780,288.45

Adjustments to Controller's Accounts (Report No. 3)

Purpose

Adjustments to Controller's Accounts (Report No. 3) is a computer input document containing the adjusting entries needed to bring the department's balances into agreement with the SCO cash basis accounts as of June 30 for the following general ledger accounts:

Account Number and Account Title

1140 Cash in State Treasury

1210 Deposits in Surplus Money Investment Fund

1730.0666001 Prepayments to Service Revolving Fund, Purchasing

1730.0666002 Prepayments to Service Revolving Fund, Printing

2120 Advances to Other Funds

For the above listed general ledger accounts, the total of the amounts entered on this report combined with the amounts on Report No. 7 should agree with the SCO's official account balances as of June 30. Typically, the opposite side of the adjustments to any of these accounts is General Ledger Account No. 1410, Due From Other Funds or 3114, Due To Other Funds. **Do not** make adjusting entries for nominal accounts (receipts and disbursements), since the correct amount is already reflected on the Pre-Closing Trial Balance (Report No. 7).

Adjustments to Controller's Accounts (Report No. 3), Form 576A should be completed in the same manner as the Report No. 3 for governmental cost funds. An attachment explaining the reason for the adjustments must be included with this report. When processing the report, the explanation of the adjustments is reviewed to obtain additional information that may help to resolve discrepancies.

Since the Adjustments to Controller's Accounts (Report No. 3) is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Two examples of the proper use of the Adjustments to Controller's Accounts (Report No. 3) for nongovernmental cost funds are given on the following page.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

The following are two examples of when the Adjustments to Controller's Accounts (Report No. 3) should be used for nongovernmental cost funds:

Example 1:

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report No. 7) as of June 30 is *more* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>	<u>SCO June 30 Balance</u>
1140 Cash in State Treasury \$5,000.00	1140 Cash in State Treasury \$3,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report No. 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1410.XXXX	\$2,000.00
	Cr. 1140	\$2,000.00

The combination of the department's Pre-Closing Trial Balance (Report No. 7) and the Adjustments to Controller's Accounts (Report No. 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report No. 7	Agency Report No. 3	SCO June 30 Balance
\$5,000.00	+ (\$2,000.00)	= \$3,000.00

Example 2:

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report No. 7) as of June 30 is *less* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>	<u>SCO June 30 Balance</u>
1140 Cash in State Treasury \$4,000.00	1140 Cash in State Treasury \$7,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report No. 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1140	\$3,000.00
	Cr. 3114.XXXX	\$3,000.00

The combination of the department's Pre-Closing Trial Balance (Report No. 7) and the Adjustments to Controller's Accounts (Report No. 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report No. 7	Agency Report No. 3	SCO June 30 Balance
\$4,000.00	+ \$3,000.00	= \$7,000.00

Adjustments to Controller's Accounts (Report No. 3) (cont.):

General Instructions

- Submit an original only. Send a signed original to the SCO's State Accounting Section, if it hasn't been sent already.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do not use dollar signs (\$).
- Leave amount column blank for accounts with zero balances.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the adjustment. Each entry on Report No. 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column on form 576A.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- | | | |
|----------|--|---|
| 1 | Department Name and Number: | Enter Department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |

Adjustments to Controller's Accounts (Report No. 3) (cont.):

6 Account:

Reminder
List on the Due To/From
Other Funds/
Appropriations
Supplemental
Information Form

- On the Adjustment to Controller's Accounts (Report No. 3), Form 576A, enter the proper four-digit account number using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.

- For Non-CALSTARS departments - to identify the other fund involved in an inter-fund transaction, enter the four-digit fund code and, if applicable, a three-digit subfund code immediately following the general ledger account numbers listed below.

1410.XXXX Due From Other Funds

1730.XXXX Prepayments to Other Funds or Appropriations

3114.XXXX Due To Other Funds

5330.XXXX Reserve for Prepaid Items

- Include the four-digit org code of the department involved in the transaction as the subsidiary number for General Ledger Account Nos. 1420, Due From Other Appropriations, and 3115, Due To Other Appropriations.

1420.XXXX Due From Other Appropriations

3115.XXXX Due To Other Appropriations

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0."

1390.0XXXXX Allowance for Uncollectible Accounts

1600.0XXXXX Provision for Deferred Receivables

7A Amount:

Post adjustments to the appropriate general ledger accounts. The amounts entered should only be adjustments needed to bring the department's balances on the Pre-Closing Trial Balance (Report No. 7) into agreement with the SCO's cash basis balances as of June 30.

7B D/C (Debit or Credit):

Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.

7C Net Debits/Credits:

Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C".

Analysis of Change in Fund Balance (Report No. 9)

Purpose

The Analysis of Change in Fund Balance (Report No. 9), also known as the Statement of Operations, provides the beginning fund balance for the fiscal year plus any additions (e.g., revenues), less any deductions (e.g., expenditures) to determine the fiscal year's ending fund balance.

On Report No. 9, the beginning fund balance must equal the ending fund balance from the previous year's Report No. 9. If a department made entries that changed the previous year's ending fund balance reported to the SCO, the beginning fund balance and Prior Year Adjustment accounts on the Report No. 9 must be footnoted to explain the difference.

During the processing of the Pre-Closing Trial Balance (Report No. 7), the SCO will refer to Report No. 9 to obtain additional information that may help resolve any discrepancies.

Governmental Accounting Advisory Board (1234)
Service Revolving Fund (0666001)

Analysis of Change in Fund Balance – Report No. 9
June 30, 20__

Account Number	Account Title	Total
5540	Fund Balance, June 30, 20XX	\$ 59,084,279.01
	Additions:	
8000	Revenue	\$ 390,150,138.88
8100	Intra-State Reimbursements	53,463,651.00
	Total Additions	443,613,789.88
	Deductions:	
9000	Appropriation Expenditures	438,870,713.05
9030	Capital Outlay	1,737,000.00
9898	Prior Year Adjustments	18,544,523.73
	Total Deductions	459,152,236.78
5540	Fund Balance, June 30, 20XX	\$ <u>43,545,832.11</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this _____ day of _____, _____ at _____, California.

Signature of Officer

Type or Print Name of Officer

Title of Officer

Report of Expenditures of Federal Funds (Report No. 13)

Purpose

The Report of Expenditures of Federal Funds (Report No. 13) provides the department's expenditures and encumbrances for each federal award by Catalog of Federal Domestic Assistance (CFDA) number.

The remaining balance of the grant shall not be accrued as an expenditure if it is not a valid obligation incurred as of June 30.

Note: Report American Recovery and Reimbursement Act (ARRA) expenditures separately from non-ARRA expenditures in instances when the same CFDA number is used.

Submit the *original* Report No. 13 to the Department of Finance, Fiscal Systems and Consulting Unit and a copy of the report to the SCO with the year-end reports. Mailing addresses are available on page 13 of this manual.

Department Name and Organization Code
REPORT OF EXPENDITURES OF FEDERAL FUNDS – REPORT NO. 13
As of June 30, 20__

FUND: 0890 FEDERAL TRUST FUND

CFDA No. Program Title 1/	Expenditures -1-	Encumbrances -2-	Total Budgetary Expenditures -3-
10.500 Cooperative Extension Service	\$100,000,000.00	\$100,000,000.00	\$200,000,000.00
20.205 Highway Planning and Construction	35,000,000.00	15,000,000.00	50,000,000.00
93.778 Medical Assistance Program	320,000,000.00	30,000,000.00	350,000,000.00
Totals 2/	<u>\$455,000,000.00</u>	<u>\$145,000,000.00</u>	<u>\$600,000,000.00</u>
ARRA			
20.205 Highway Planning and Construction	\$115,000,000.00	\$15,000,000.00	\$130,000,000.00
93.778 Medical Assistance Program	<u>\$60,000,000.00</u>	<u>\$10,000,000.00</u>	<u>\$70,000,000.00</u>
Totals 2/	<u>\$175,000,000.00</u>	<u>\$25,000,000.00</u>	<u>\$200,000,000.00</u>
Totals	<u>\$630,000,000.00</u>	<u>\$170,000,000.00</u>	<u>\$800,000,000.00</u>

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20__ at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

1/ Catalog of Federal Domestic Assistance (CFDA) and program title of each federally funded program.
2/ Columns 1 + 2 = Column 3.

Statement of Financial Condition (Report No. 20)

Purpose

The Statement of Financial Condition (Report No. 20) provides the balances of the assets, liabilities, and fund equity as of June 30. During the processing of the Pre-Closing Trial Balance (Report No. 7), the SCO will refer to Report No. 20 to obtain additional information that may help resolve any discrepancies.

Service Revolving Fund (0666001)

**Statement of Financial Condition - Report No. 20
June 30, 20XX**

Account Number	Account Description	Total
Assets:		
Cash		
1110	General Cash	\$3,757,211.68
1130	Revolving Fund Cash	1,362,356.85
1140	Cash in State Treasury	91,332.87
1190	Cash on Hand	<u>125,801.16</u>
		\$5,336,702.56
Accounts Receivable		
1312	Accounts Receivable - Reimburse.	1,176,932.42
1315	Accounts Receivable - Dishonored Cks.	3,608.20
1319	Accounts Receivable - Other	8,477.14
1390.01312	Allowance for Uncollectible Accounts	(926,526.46)
1410.0001	Due from General Fund	65,021,144.17
1410.0002	Due from Property Acquisition Law	431,015.00
1410.0003	Due from Motor Vehicle Park	271,284.00
1410.0006	Due from Access for Handicapped	171,900.00
1410.0026	Due from Motor Vehicle Insurance	2,390,308.00
1410.0344	Due from S.S.B.L.P.F.	834,690.00
1410.0465	Due from Energy Resources	145,283.00
1410.0602	Due from Architecture Revolving	1,799,183.00
1410.0768	Due from Earthquake	100,650.00
1410.0961	Due from School Deferred Maintenance	10,493.00
1420.1234	Due from Other Appropriations within the same Fund	12,213,023.00
1510	Due from Other Governments	1,185,784.00
1600.01315	Provision for Deferred Receivable - Dishonored Checks	(3,608.20)
1600.01319	Provision for Deferred Receivable - Other	(8,477.14)
1710	Expense Advance	85,809.98
1720	Other Prepaid Expenses	383,197.22
1730.0602	Prepayments to A.R.F.	<u>6,059,548.83</u>
		91,353,719.16
Inventory		
1900	Inventory	<u>15,413,905.11</u>
		15,413,905.11
Capital Assets		
2341	Equipment	127,508,242.53
2349	Accumulated Depreciation - Equipment	(70,633,026.84)
2410	Intangible Assets	2,229,107.29
2490	Accumulated Amortization	<u>(1,626,346.14)</u>
		<u>57,477,976.84</u>
Total Assets		\$169,582,303.67
Liabilities & Fund Equity:		
Current Liabilities		
3010	Accounts Payable	(\$16,190,423.17)
3020	Claims Filed	(3,480,511.97)
3114.0001	Due to Other Funds - General Fund	(3,020,410.85)
3115.1234	Due to Other Appropriation in Fund	(7,213,023.00)
3120	Prepayments from Other Funds	(70,833,000.00)
3210	Due to Other Governments	(10,531.00)
3510	Deposits	(1,795,691.70)
3730	Uncleared Collections	<u>(66,276.05)</u>
		(\$102,609,867.74)
Long Term Liabilities		
4210	Installment Contracts Payable	<u>(17,367,054.99)</u>
		(17,367,054.99)
Fund Equity		
5330.0602	Reserve for Prepaid Items - A.R.F.	(6,059,548.83)
5540	Retained Earnings	<u>(43,545,832.11)</u>
		<u>(49,605,380.94)</u>
Total Liabilities and Fund Equity		(\$169,582,303.67)

General Obligation Bond Funds

Purpose

Bond Funds are used to record the proceeds from the sale of general obligation bonds and the expenditure for acquisition of property, capital outlay, or loans to local departments for the same purpose.

The year-end reports required for general obligation bond funds are the same as those required for governmental cost funds. Refer to the Governmental Cost Funds section for instructions.

Specific Instructions

- Provide the required year-end reports for each subfund.
- Accrue SMIF Interest as a debit to General Ledger Account No. 1410.0681 and a credit to receipt account 0250300.
- Do not accrue any intrafund transfers; a transfer between subfunds of the same fund, as a debit to Due From Other Funds; General Ledger Account No. 1410.XXXX and a credit to receipt account 03XXXXXX on Report No. 1. Use Due To/From Other Appropriations; General Ledger Account Nos. 1420.XXXX and 3115.XXXX (use the Org as the four-digit subsidiary number), respectively.
- The Pooled Money Investment Account (PMIA) loan accrual letter is mailed out by the State Controller's Office no later than the end of July. Per the data provided in the letter, accrue the PMIA interest expense pertaining to the loan. Accrue the PMIA interest expense as a debit to the appropriate disbursement account and a credit to General Ledger Account No. 3114.0942, Due to Special Deposit Fund.

If you have any question regarding the PMIA letter, call Salesni (Sal) Singh at (916) 322-4671, or email: sssingh@sco.ca.gov.

Special Deposit Fund- Fund (0942)

Purpose

The Special Deposit Fund (0942) is used as a depository for moneys collected by the State, in instances where there has been no fund created for the moneys received. Moneys remaining unclaimed and held by a department for which the claimant cannot be found are also deposited in the fund and remain for two years. If not claimed within the two-year period, the money reverts to the General Fund, except for unclaimed warrants deposited, which will revert to the fund against which the warrant was drawn.

The year-end reports required for the Special Deposit Fund are the following:

- Report No. 3 – Adjustments to Controller's Accounts
- Report No. 7 – Pre-Closing Trial Balance
- Report No. 8 – Post-Closing Trial Balance
- Report No. 9 – Analysis of Change in Fund Balance
- Report No. 20 – Statement of Financial Condition Special Deposit Fund (cont.)

General Instructions

- The filing date for the Special Deposit Fund year-end financial reports is August 20, 2013.
- For each subfund, prepare a separate Report No. 9 and No. 20; however, a consolidated Report No. 7 and No. 8 must be submitted. Year-end reports are required even if the account has a zero fund balance, but had a beginning fund balance or activity during the fiscal year.
- The beginning fund balance on the current year's Report No. 7 must equal the ending fund balance on the prior year's Report No. 8.
- Cash in State Treasury must equal the Controller's Fund Reconciliation Report of General Ledger Account No. 1140. If an adjustment is necessary, provide a descriptive footnote at the bottom of the Adjustments to Controller's Accounts (Report No. 3).
- June 30 accounts not yet approved by the Department of Finance are considered Non-Treasury Trust (NTT) Funds until a department has obtained approval.

Non-Treasury Trust Fund (NTT)

Purpose

The Non-Treasury Trust (NTT) Fund (0990) consists of money or property, in the custody of a state department that is not required to be deposited in a fund in the State Treasury.

Cash receipts are accounted for in General Ledger Account No. 1120, Agency Trust Fund Cash.

Securities may be held by the department or transmitted to the State Treasurer for safekeeping and accounted for in General Ledger Account No. 2720, Securities and Other Property Held in Trust.

Note: Trust cash in a department account pending remittance to a fund in the State Treasury is recorded in General Ledger Account No. 1110, General Cash.

The following year-end reports should be submitted for NTT funds. These are the same reports submitted for nongovernmental cost funds.

- Report No. 7 – Pre-Closing Trial Balance
- Report No. 8 – Post-Closing Trial Balance
- Report No. 9 – Analysis of Change in Fund Balance
- Report No. 20 – Statement of Financial Condition

General Instructions

The instructions below are followed by illustrations of completed Report Nos. 7, 8, and 9. Included in the year-end reports should be the type of trust fund, a contact person, and a phone number. A list of current departments with NTT funds is shown on the pages following the sample reports. Refer to SAM Section 7620 for more information about General Ledger Account No. 1120, Agency Trust Fund Cash.

- The year-end reports required to be submitted for a NTT Fund must be submitted under Fund No. 0990; Fiduciary Funds Outside the Centralized Treasury System.
- Include the general ledger account numbers on all reports. Account titles alone are not sufficient.
- Prepare separate year-end reports according to the type of trust fund money held. There are four types, as follows:

Guaranty Deposits are deposits held by several state departments to comply with various legal requirements. For instance, negotiable securities held by the State Treasurer, bearer bonds, stocks, or certificates of deposits not assigned to the department. Also included are fees, bids, and security deposits.

Non-Treasury Trust Fund (NTT) (cont.):

Private Trusts: The state department acts as custodian of a private individual's assets. For instance, money, securities, or sundry personal property held by departments for the benefit of specific individuals, such as inmates, students, etc.

Special Purpose Trusts: Individuals, corporations, public departments, etc., may make gifts or grants to the State for specific purposes such as conducting research or providing money for scholarships, etc.

Departmental Trusts: The following funds outside the State Treasury are authorized by the DOF:

State Veterans' Home Post Fund
Agriculture Marketing Act Trust
Department of Employment Trust Funds

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)

NON-TREASURY TRUST FUND (0990)

Pre-Closing Trial Balance – Report No. 7

June 30, XX

<u>GLAN</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities and Other Property Held in Trust	158,805.00	
3510	Deposits		706,376.67
	Total	706,376.67	706,376.67

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this _____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)

Post-Closing Trial Balance – Report No. 8
June 30, 20XX

<u>GLAN</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities & Other Property Held in Trust	158,805.00	
3510	Deposits		706,376.67
	Total	<u>706,376.67</u>	<u>706,376.67</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____, California

Signature of Officer

Type or print name of Officer

Title of Officer

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)

Analysis of Change in Fund Balance – Report No. 9
June 30, 20XX

<u>GLAN</u>	<u>Account Title</u>	<u>Total</u>
	Fund Balance, June 30, 20XX	\$ 640,532.36
	Additions:	
8800	Operating Income	\$ 53,600.00
8067	Receipts from Depositors	54,000.00
8090	Other Additions	236.31
	Total Additions	107,836.31
	Deductions:	
9000	Operating Expenditures	\$ 14,300.00
9033	Payments to & for Depositors	2,456.00
9085	Securities Released for Individuals	25,000.00
9897	Prior Year Surplus Adjustment	236.00
	Total Deductions	41,992.00
	Fund Balance, June 30, 20XX	<u>\$ 706,376.67</u>

Name of Contact Person (Type or Print)	Telephone Number
--	------------------

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this _____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

Frequently Asked Questions

Q: We are a Non-CALSTARS agency and per the new requirements, “Statewide Assessments” expenditures will be reported in the Expenditure GL 9000 column on the Report No. 15. Total expenditures reported on the Report No. 7 must agree with the total expenditures reported on the Report No. 15.”

I’d like to get clarification if it is okay for us to report these Assessments as GL 9010 “State Ops” (which is our current process) on our Report No. 7 instead of GL 9000 “Appropriation Expenditures”? We will report them in the GL 9000 column on the Report No. 15 as requested, but I would prefer them to be separated from my normal GL 9000 on my Report 7 so I know which “Appropriation Expenditures” belong to our department (ORG) on my Trial Balances each month. I didn’t know if this made a difference for SCO or DOF since GL 9010 rolls up to GL 9000 anyway.

Please let me know if it is okay to continue to use GL 9010 “State Ops” for these Assessments on our Report No. 7.

A: It is appropriate for you to report the statewide assessments as GL 9010/State Operations on the Report No. 7, as long as you break out the Report No. 15 GL 9000 and 9010 separately and the amounts for both reports (Report No. 7 and Report No. 15) match.

Q: If we have a fund with subfunds, do we need to submit a separate certification (cert) letter for each subfund?

A: No, you do not need to submit a separate certification letter for each subfund; a fund with multiple subfunds can be included within one certification letter, but the reports submitted for each subfund must be listed separately on the letter.

Q: When we need to submit revised accruals, do you want a whole new set of year-end reports?

A: It is not necessary to submit an entirely new set of year-end reports if you submit revisions to your original accruals, but it is acceptable.

Special Note: Make sure if you’re submitting revisions to your original accruals, that the revised amount is the difference between what you originally reported and the correct amount. Both the Report No. 1 and No. 3 are used as input documents, and we would like to avoid duplicate entries and the doubling up of amounts.

Also, revisions submitted after the revision deadline will not be accepted without the Budgetary/Legal Reporting Section manager’s prior approval.

Q: If we are reporting for a shared fund, what General Ledger Account do we use on our Pre-closing Trial Balance for Retained Earnings?

A: You will use GL Account 5570, Fund Balance Clearing, if you are reporting for a shared fund.

Q: If I have an abnormal balance on my Pre-closing Trial Balance, Report No. 7, where should I provide an explanation?

A: Provide the explanation for an abnormal account balance and/or negative fund balance on the bottom of your Report No. 7. Check to make sure the abnormal account balance is valid. For example, if the payable account has a debit balance, it may be proper to reclassify it to a receivable account to resolve the abnormal account balance.

Q: Is it okay to submit a certification letter with each nongovernmental instead of the signature panel at the end of the Report Nos. 7, 8, and 9?

A: Yes, the certification letter takes the place of the signature panel on each of the individual reports. The certification letter is required. The signature panels on the individual reports do not need to be signed.

Q: On the Due To/Due From Supplementary Form, how do I know if it's a Due to Other Funds or Due to Other Appropriations?

A: A Due To/From Other Appropriations (GLs 3115/1420) is appropriate when the Due To/From is between two different appropriations within the same fund.

Note: To accurately reflect the Due To/From Other Funds or Other Appropriations, you must fill out the Due To/From Other Funds/Appropriations Supplementary Information Form using the FUND or ORG that the transaction is ultimately going to as the subsidiary FUND or ORG for General Ledger Accounts 1410/3114 (Funds) and 1420/ 3115 (Orgs), respectively. For instance, you do not want to use the FUND or ORG that is a "pass through" FUND or ORG for the subsidiary. You want to use the FUND or ORG that the monies are ultimately going to or paying for an expense. This information should be available to you in an agency agreement and/or you should be able to contact the other department involved. Your Due To/Froms between funds/departments must reconcile between the departments respective Due To/Froms on the Supplementary Information Forms. Indicate on the form if you have contacted the other department but the amounts cannot be confirmed. **Two copies** of the Due To/From Other Funds/Appropriations Supplementary Information Form are required. The copy sent electronically **MUST** be submitted using the EXCEL version available on the SCO website.

Q: Should Report No. 13, Report of Expenditures of Federal Funds, be considered a "Special Report" on the cert letter?

A: No, the Report No. 13 is not considered a "Special Report".

Q: What if my ending fund balance does not match my beginning fund balance because of a prior year adjustment?

A: Make an entry that hits PY Surplus Adjustment rather than change the beginning fund balance. Beginning Fund balance should NEVER be restated.

Q: If the appropriation is reverted and the only activity is a prior year accrual that is reversing, do I submit a Report No. 5?

A: Yes. Essentially, if we have provided a Report No. 5 for your appropriation(s) on our website, you are required to submit it to us at year-end with your reports, whether you have accrual activity or not.

Q: Can ending cash have a negative balance?

A: Yes, if it is a shared fund and the total cash for all departments is a debit. The fund administrator (administering department) should be in communication with the other departments sharing the fund and visa-versa to ensure the total cash balance is a debit and equals the balance on the SCO records at June 30.

Q: On the revised Due To/From Other Funds/Appropriations Supplementary Information Form, why is there a fund and org column when the same information is required in other fields on the document?

A: The columns for the fund and org are there to facilitate the import of the electronic version into our Due To/From data reconciliation database. The information on the form's header is stripped away and only the information in the columns are used in the reconciliation.

BUDGET LETTER

NUMBER:	13-02
DATE ISSUED:	March 8, 2013
SUPERSEDES:	12-22

SUBJECT:	BUDGETING AND ACCOUNTING RELATIONSHIP AND COORDINATION
REFERENCES:	GOVERNMENT CODE SECTIONS 12460, 13344, 13403; STATE ADMINISTRATIVE MANUAL, BL 12-04, BL 12-08, BL 12-10, BL 12-18, BL 12-25, AND AUDIT MEMO 11-02

TO: Agency Secretaries
Department
Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL INTERNAL AUDITORS

This Budget Letter (BL) reminds and informs state departments of existing and new requirements for reporting past/prior year financial data when submitting budget documents during the development of the Governor's Budget. This BL covers these key areas:

- (1) Consistency between Governor's Budget and Year-End Financial Reports
- (2) Basis of Accounting
- (3) Management of Fund and Fund Administrators' Authority and Responsibilities
- (4) Fund Users' Responsibilities
- (5) Certifications
- (6) Statewide Policies in State Administrative Manual
- (7) Key Budget Letters Issued in 2012
- (8) Upcoming Training for Departments

I. Consistency between Governor's Budget and Year-End Financial Reports

Government Code section 12460 requires information in the State Controller's Budgetary/Legal Basis Annual Report to account for funds on the same basis as that of the applicable Governor's Budget and Budget Act. Government Code section 13344 requires state departments to prepare and maintain financial and accounting data for inclusion in the Governor's Budget, Budget Act and related documents, and the Budgetary/Legal Basis Annual Report described in section 12460, according to the methods and bases provided in regulations, budget letters, and other directives of the Department of Finance (Finance). The State Controller's Report reflects a culmination of information submitted by departments. It is critical that departments' submittal to the State Controller's Office (SCO) reflects correct and reconciled information.

As specified in the State Administrative Manual (SAM) (<http://sam.dgs.ca.gov>) section 6400, it is important that fund balance, revenues, expenditures, and other accounting data included in the past year's presentation of the Governor's Budget are equivalent in amount and classification with similar data published in the SCO's Budgetary/Legal Basis Annual Report. Therefore, departments shall use their year-end financial statements as the basis for preparation of budget documents for the Governor's Budget. Departments must ensure that data included in both the budget schedules and year-end financial statements are identical unless permitted by law or Finance has approved a difference.

Basis of Accounting

Unless otherwise specified in law, the General Fund and special funds are accounted for and maintained on a modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period or after the end of the current period to be used to pay current year-end liabilities). Expenditures are accrued when the obligations are created, except for amounts payable from future fiscal year appropriations. Additional information is included in SAM section 10200 et seq.

II. Management of Funds and Fund Administrators' Authority and Responsibilities

Finance designates an administering department for each fund. The administering department is responsible for the overall management of the fund. Attachment I outlines the authority and responsibilities of a fund administrator for both non-shared and shared funds. Finance and the designated departments, in collaboration with the SCO, will reconcile special fund balances between amounts in the Governor's Budget and those to be published in the SCO's Budgetary/Legal Basis Annual Report, similar to the process that began with the 2013-14 January Budget.

III. Fund Users' Responsibilities

Fund users are departments that spend from the fund, collect revenues for the fund, or transfer cash to or from a fund. Departments that levy assessments for statewide projects/programs are not considered fund users. A fund user is responsible for fully calculating its own portion of the prior year adjustment, and fully reconciling past year revenues, expenditures, and transfers between its year-end financial statements and Supplementary Schedules 10R and 10(s). A fund user must also submit a signed Form DF-117U to Finance to certify that information has been reviewed and reconciled between accounting and budgeting information in accordance with law and policies.

Fund users must provide necessary information to the designated fund administrator to facilitate the overall reconciliation of the fund. Information that must be provided by a fund user to the fund administrator includes, but is not limited to the following:

1. Copies of reconciliations and reports as necessary to allow the fund administrator to reconcile departmental accounts to like SCO accounts.
2. Copies of the year-end financial statements of the fund.
3. Copy of the signed certificate DF-117U.
4. Other supporting documents and explanations related to year-end financial statements if requested by the fund administrator for the purpose of correctly reconciling the past year fund balance. Amount of new spending requests (from Budget Change Proposals or requests for spring Finance Letters) to ensure there is sufficient fund balance available in the fund. Other confidential information is not necessary. Proposals that could result in additional revenue to the fund should also be communicated.

IV. Certifications

A department that is designated as a fund administrator must sign Form DF-117A (Attachment II). A department that is a fund user must sign Form DF-117U (Attachment III). Each department head or his/her designee (who must be at least one level above both budgeting and accounting) is required to certify the following:

- Past/prior year information provided to Finance is accurate and reconciles between budget and accounting records.

- Information is consistent with information provided to the SCO.

V. Statewide Policies in State Administrative Manual

As stated in BL 12-08 (July 5, 2012), departments should review SAM frequently to remain current with statewide policies. Here is a sample of key sections related to fund reconciliation and fund management:

- SAM 6400—Requirement to match fund balance, past year revenues, and past year expenditures between year-end financial statements and budget documents for the Governor's Budget unless otherwise approved by Finance.
- SAM 6481—Instructions on fund condition statements
- SAM 7900—Reconciliations and Reports
- SAM 8002—Finance's Approval for Accounts Outside the Treasury System
- SAM 8200—Income
- SAM 8300—Allotment-Expenditure Accounting
- SAM 10500/10600 et seq—Standard Entries
- SAM 20050—Overview of departments' internal control responsibilities (Refer to Audit Memo 11-02, Financial Integrity and State Managers Accountability Act Reporting Requirements for details.)

VI. Key Budget Letters Issued in 2012

- **BL 12-04** (March 2012)—“Past year expenditure and revenue amounts posted on budget documents must reconcile with amounts reflected in year-end financial reports submitted to the SCO. For the General Fund, Finance compares amounts on budget documents to SCO data from year-end reports and asks departments to explain major differences. For all other funds, Finance designates an administering organization. This administering organization prepares the Governor's Budget Fund Condition Statement and must reconcile differences between the SCO Annual Report and the Governor's Budget. Departments must provide a written explanation of differences to their Finance budget analyst and to the SCO, Division of Accounting and Reporting.”
- **BL 12-08** (July 2012)—“The State Administrative Manual (SAM) is a resource for statewide policies; it provides the Department of Finance (Finance) and other departments the ability to communicate these policies to all state departments...Departments should review SAM frequently to remain current with statewide policies.”
- **BL 12-10** (July 2012)—“... record actual past year expenditures by schedule and in total in the "Expenditures" column of the Revised Appropriation totals section. These must be the same dollar amounts reported to the State Controller on the year-end financial statements...”
- **BL 12-18** (August 2012)—“All past year Schedule 10R data should reconcile to the year-end financial statements reported to the State Controller's Office (SCO). Revenue data, excluding transfers and loans, should agree with the Final Statement of Revenue, Year-End Statement No. 4 (CALSTARS agencies may use the automated CSTARQ26 - Year End Statement of Revenue report to post the revenue amounts to the Schedule 10R). Finance's approval is required for any difference between revenue data on the Schedule 10R and revenue data reported to the SCO; departments must attach an explanation for any differences.”
- **BL 12-22** (September 2012)—“This BL reminds and informs state departments of existing and new requirements for reporting past/prior year financial data when submitting budget documents during the development of the Governor's Budget. This BL also reminds state departments (1) of the relationship between budgeting and accounting; (2) that data reported in year-end

financial reports should be consistent with the Governor's Budget and the Budget Act; and (3) to use the same basis of accounting and reporting transactions."

- **BL 12-25** (September 2012)—"Actual expenditures reported by departments on the past year Schedule 10s are considered final and these expenditures must reflect the same dollar amounts reported to the SCO in the year-end financial statements. No changes are to be recorded on these Schedule 10s without prior approval from Finance (your Finance Program Budget Manager and Finance's Financial Operations unit). In this case, the adjustment and all subsequently changed totals must be clearly noted on the Schedule 10s."

VII. Upcoming Training for Departments

Coordination between departmental accounting and budgeting is critical to ensure accurate reconciliation of prior year adjustments, past year revenues, expenditures, transfers, and fund balance. Finance will conduct a new class for departmental accounting officers and budget officers regarding internal coordination and the submittal of the fund reconciliation package to Finance this fall. Each department must send one experienced staff member representing accounting and another experienced staff member representing budgeting. If your department has an internal audit function, you must also send one experienced staff to represent auditing. More information related to date and time will be provided in the near future.

If you have any questions, please contact your Finance budget analyst. If necessary, your Finance budget analyst will coordinate questions with other areas within Finance.

/s/ Todd Jerue

TODD JERUE
Chief Operating Officer

ATTACHMENTS

Fund Administrator's Authority and Responsibilities

The Department of Finance (Finance) designates a department as the administering organization of each fund. The administering organization is indicated in the fund description in the Manual of State Funds.

Responsibilities of a Fund Administrator that is the sole user of the fund:

1. Verifies the accuracy of departmental accounting records by performing monthly reconciliations with source documents and corresponding appropriation and general ledger accounts maintained by the State Controller's Office (SCO).
2. Calculates prior year adjustments.
3. Submits Fund Condition Statement to Finance with prior year adjustments and appropriate backup documents, past year revenues, transfers, loans, and past year expenditures. Works with Finance to determine any special adjustments or reserves.
4. Ensures accuracy and consistency of data between Fund Condition Statement and year-end financial statements submitted to the SCO.
5. Ensures both sets of documents are prepared with the same method and on the same accounting basis as in the Governor's Budget and Budget Act per Government Code section 12460. No timing difference should exist. No exceptions unless approved by Finance or authorized in law.
6. Reports changes to Finance and/or SCO for any changes in past year fund condition (prior year adjustments, past year revenues, or past year expenditures).
7. Coordinates with Finance analyst who oversees the fund to ensure there are no other statewide changes to be included in the Fund Condition Statement.
8. Tracks and manages changes and ensures a prudent reserve is maintained. Works with Finance to determine the level necessary for a prudent reserve.
9. Provides all necessary information per Finance's request when Finance performs its review of the components of the submitted Fund Condition Statement.
10. Sign Certification Form DF-117A (see Attachment II).

Shared Fund Administrator:

1. Performs all responsibilities as listed above.
 2. Possesses authority to request information from the user department(s). User departments include departments that collect revenues, spend from the fund, or transfers cash to or from the fund. The fund administrator should request the following information from user departments:
 - a. Copies of year-end financial statements, a signed DF-117U, and/or other backup documents related to the fund's prior year adjustment and past year revenues/expenditures/transfers.
 - b. Copies of reconciliations and reports as necessary to allow the fund administrator to reconcile departmental accounts to like SCO accounts. Reviews data from other fund users for reasonableness and accuracy. Except for budget development period (when changes are tracked by Finance), tracks and manages changes and ensures a prudent reserve is maintained. Works with Finance to determine the level necessary for a prudent reserve. Once all budget proposals are developed and approved, Finance will share a copy of the Fund Condition Statement with fund administrator.
 3. Based on latest available information, provides a letter of support or opposition to fund users when they ask for a determination of sufficiency of the fund to fund a proposal. Fund users are not to provide details of the proposal, but must obtain a letter of support from fund administrators regarding adequacy of fund balance.
 4. Assists Finance when requested in determining the use of the fund for new purposes.
- Note: Assessments by statewide projects/programs are not considered fund users.

STATE OF CALIFORNIA
Certification of Past and Prior Year Information
DF-117A for Fund Administrators

Department of Finance
915 L Street
Sacramento, CA 95814
IMS Mail Code: A-15

CERTIFICATION OF 2012-13 PAST/PRIOR YEAR RECONCILIATION OF FUND XXXX (Fund Number), and (Fund Name)

The _____ (Org/Department title) has coordinated with all fund users of this fund and has fully reconciled the past/prior accounting/budgeting information for fiscal year 2012-13 to reflect full compliance with state law, is accurate, and reconciles between budgeting and accounting records.

I certify (or declare) under penalty of perjury that the budgeting and accounting information provided to the Department of Finance reconciles to the year-end financial reports submitted to the State Controller's Office.

Signature (Department Head or Designee)

Date

Print Name, Title

Phone Number